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Vol. XXII, No. 354
January 13, 1953





The Department of State bulletin

VOL. XXII, No. 554 • PUBLICATION 3753

February 13, 1950

The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.

For sale by the Superintendent of Documents
U.S. Government Printing Office
Washington 25, D.C.

PRICE:
52 issues, domestic \$6, foreign \$8.50
Single copy, 20 cents

The printing of this publication has been approved by the Director of the Bureau of the Budget (February 18, 1949).

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The Plan and Means for a Common Defense¹

When the legislation setting up the Mutual Defense Assistance Program was considered, a great deal was said about the advisability or inadvisability of arming people for peace. It is one of the great paradoxes of our time that a policy of building military strength should promote peaceful relations between nations. And yet, it is a paradox sanctioned by the realities of the times.

The MDAP, as it is called, was set up to answer a vital need. Friendly European nations were asking us for aid to build up the defenses in which the United States has a tremendous stake. We were already helping them economically. We were helping them morally. We were helping them diplomatically. In order to cement the cooperation, to bridge the gap, we added this carefully studied program of military assistance.

Clearly, it is in the best interests of the United States to assure, to whatever extent possible, the security of free peoples in other nations. Clearly, this concept underlines our relations with all other nations.

Many provocative questions were raised about a Mutual Defense Assistance Program. Would it cast a shadow of uneasiness over the work of the United Nations? Would it operate in harmony with the Atlantic Pact? Would we give too much away and then be sorry? Would we be able to get out if circumstances changed in a country and we wanted to withdraw our help? Where would we draw the line as to whom to help? And just what kind of help would it be?

So many weighty questions crossed the ocean that they could have sunk an aircraft carrier. As a matter of fact, the details of working out the program in its complex setting were enough to create a time lag of some 4 months between passage of the legislation and the green light to go ahead and ship. Although the act was signed by the President on October 5, we are only now approaching the stage where the first boat can be loaded.

Requirements Under the Program

Why? Because before a single nail can go out under the Program, several requirements must be met.

First, in order to fit the program into the background of the Atlantic Pact, the law said our help must promote the integrated defense of the North Atlantic area. And to make sure that it did, most of the money—all but \$100,000,000—was locked up until the Council and the Defense Committee under the North Atlantic Treaty recommended defense plans, and the President of the United States approved those plans. At this date, the plans have been duly approved, and the full appropriation has become available. When aid begins to flow it must be in accordance with those defense plans.

The second requirement that held things up for awhile was the need to sign bilateral agreements with the countries before anything could be shipped. Wherever two languages and translations and interpretations are involved, it always takes time to convince the other fellow that you mean the same thing he does. Even when both sides speak the same language, differing views must be reconciled. But this difference is no longer a stumbling block. We will shortly be ready and set to go.

To go where and with what? The legislation is very specific, with one exception. We have available \$1,314,010,000 in direct grant aid. Of that money, \$1,000,000,000 in cash and contract authority can be used for aid to the North Atlantic Treaty countries—but only for those that asked for help. That means the program will directly help eight of the Atlantic Pact countries—United Kingdom, Belgium, France, the Netherlands, Luxembourg, Norway, Denmark, and Italy.

\$211,370,000 is authorized for Greece and Turkey. That is simply a continuation of past policy, and the Greek and Turkish aid programs will go on as before.

The third category is for aid to Iran, Korea, and the Philippines, and they are granted \$27,640,000 collectively.

The last earmark, and the only one that leaves

¹ An excerpted version of an address by James Bruce, Director, Mutual Defense Assistance Program. For complete text, see Department of State press release No. 94, of Jan. 27, 1950.

room for discretion, is a \$75,000,000 grant to promote the policies and purposes of the act in the general area of China. Those who are faithful gallery listeners know that the distressing situation in China at the time the legislation was passed made it impossible to foresee the potentialities of any such aid. The \$75,000,000 amounts, in effect, to an emergency fund for the President, and he can spend it in any way that will conform to the policies and purposes of the legislation. That means the money need not be spent on military aid.

So much for the direct grant assistance. Another kind of aid is spelled out in the program that permits certain countries to buy military items from the United States for cash, providing they have collective defense or regional arrangements with this country. That kind of provision is a definite stimulus to the mutual-help concept. It encourages free peoples to think of themselves as a group without boundaries, and it permits certain countries that need equipment and have free dollars to help themselves. Canada and the American Republics will probably buy from our Department of Defense under this arrangement. Also, the Atlantic Pact countries that did not request aid will benefit from the MDA program through this cash purchase provision.

Types of Equipment

When we get to talking about billions of dollars and direct grant and cash purchases, the important fact of what gets put on the ship, and the mechanics of how it gets there, often get lost.

Some people were worried that we were going to build factories or run them over there. We definitely are not. We're actually prohibited by the law from doing so. Under this program, we will send three kinds of things: certain excess military equipment we have but don't need and also new equipment, technical advice needed to repair or overhaul or modernize equipment in the requesting countries, and machine tools and materials needed for arms production now in existence. In other words, we are not going to "boom" arms production by creating new facilities; we are not starting an armaments race; we are not underwriting a new enterprise. What we are doing is trying to make it possible for recipient nations to maintain the maximum military security compatible with the size and economic recovery of each individual nation.

The excess military equipment that we ship cannot exceed \$450,000,000 value, based on original cost. However, say the maximum value of \$450,000,000 were shipped—that entire value will not be charged against the program—only the amount spent to put the equipment into usable condition. What kind of equipment does it include? Probably spare parts and accessories for American equipment already held by these countries.

To allay any fears that American stocks might

be reduced to our own detriment or, in other words, that we might give away too much, the Secretary of Defense was given discretion to deny transfer of equipment from our stocks if he thinks it would be harmful to our interests. So, we have a check both on the amount and the type of equipment that goes over.

The Department of Defense plays a vital role, both in the mechanics and in the control part of the program, and here one can see the necessary coordination between the Departments of State and Defense in order to put the program over effectively.

A final check over the whole program was divided between the President, the Congress, and the United Nations. One of the questions raised was how to stop the flow of goods quickly if circumstances changed in a country and the political or economic situation was unfavorable. To meet those contingencies, the President is required to stop the assistance whenever it is no longer in the interest of or consistent with the security of the United States. He must also cut the program if he is asked to by a nation receiving help, or if a continuation of our help would contravene a decision of the Security Council, or if the General Assembly of the United Nations finds that such assistance is undesirable for a particular country.

That check solved a good number of the "if's," but there was still a last one. What if the President didn't act fast enough? Congress can terminate the assistance by a joint resolution which does not require Presidential signature.

Fulfillment of U.N. Objectives

The provision that aid must be stopped if its continuation would contravene a decision of the Security Council or if the General Assembly finds it undesirable is important. It's important because one of the things we must all understand is the relation of MDAP to our policy of full support for the United Nations. MDAP was developed to complement the strength of the United Nations.

I want to emphasize again that this program in no way contradicts the American hope that we can find a way to achieve international regulation and reduction of armaments. Throughout the program development, the intention has never been lost sight of that the United States will employ every effort to get agreements that will provide the United Nations with the armed forces contemplated in the Charter and to get the kind of armament regulation and reduction that will mean protection against violation and evasion. MDAP is a means to more complete fulfillment of United Nations objectives—the objectives of international peace and security. The provision making this help in effect subject to the continued sanction of the Security Council and the General Assembly patently reaffirms our faith in the operations of the United Nations and our desire to work within the framework.

Place of MDAP in Recovery Program

Another agency of the Government has a part in the Program, and that is the Economic Cooperation Administration, the ECA. The Economic Recovery Program requires that whatever can be accomplished by mutual defense assistance must not jeopardize to any degree the economic recovery of each individual nation. On the contrary, economic recovery must not be jeopardized by the sense of insecurity from which so many almost defenseless countries have suffered. It was clearly understood all along the line, and is now clearly understood, that economic recovery should be given top priority.

The problem raised is this: the concept of MDAP is one of self-help and mutual aid. We are to supply certain materials that will help these countries maintain their defense and, where necessary, increase their existing arms production. At the same time, a possible increase in arms production in a recipient country is not to be undertaken if it means a consequent decrease in production of materials for export to dollar areas, or if it means transfer of workers from civilian employment to defense employment, or if it means burdening the financial structure in such a way as to encourage inflation. This problem is one that can only be solved through actual operation. The legislation authorizing MDAP specifically spells out the top priority of economic recovery. In order to adjust the ratio of arms production to civilian production and to work out the financial stresses and strains, the ECA is working closely with both State and Defense Departments to make sure that the intent of the law is carried through. Overseas, as in Washington, the program will be carried on with the full cooperation of the ECA and the Department of Defense.

We are, all in all, off to a sound start. There has been excellent cooperation between the agencies concerned to achieve a fine integration or dovetailing between ERP, the Atlantic Pact, and MDAP.

A great deal of work has to be done in a short time. The authorization passed by the Congress runs until June 30, 1950. That leaves 5 months to accomplish the job on which we are now engaged, though certain goods can continue to be shipped after that time, mainly the goods bought under contract authority.

We have, now, three programs, drawn into the network of the United Nations. Together, they provide increased momentum toward economic recovery, political stability, and security from aggression. For the free peoples of Western Europe, as for other peoples to whom the MDA program is applicable, these programs, against the United Nations back-drop, form a chain to recovery—a hope of return to the life they would like to lead. For a potential war maker, they spell warning. They show the possibilities of cohesion and unity, the dynamics of action that is

motivated by moral conviction. For us, they are insurance against war. But they are more than insurance. They are programs designed to give expression to the positive conviction of the American people that freedom from tyranny, from aggression, and from want shall not be lost wherever it is humanly possible for us to help maintain it.

Work on All Forms of Atomic Weapons Will Continue

Statement by the President

[Released to the press by the White House January 31]

It is part of my responsibility as Commander-in-Chief of the armed forces to see to it that our country is able to defend itself against any possible aggressor. Accordingly, I have directed the Atomic Energy Commission to continue its work on all forms of atomic weapons, including the so-called hydrogen or super-bomb. Like all other work in the field of atomic weapons, it is being and will be carried forward on a basis consistent with the over-all objectives of our program for peace and security.

This we shall continue to do until a satisfactory plan for international control of atomic energy is achieved. We shall also continue to examine all those factors that affect our program for peace and this country's security.

THE CONGRESS

Legislation

The Fisheries Conventions. Hearing before a Subcommittee of the Committee on Foreign Relations, United States Senate, Eighty-first Congress, First Session, on the Ratification by the United States Government of the International Convention for the Northwest Atlantic Fisheries signed at Washington, February 8, 1949 (Executive N). Convention with Mexico for the establishment of an International Commission for the Scientific Investigation of Tuna, signed at Mexico City, January 25, 1949 (Executive K). Convention for the establishment of an Inter-American Tuna Commission, signed at Washington, May 31, 1949 (Executive P). vi, 131 pp.

United States Participation in Certain International Organizations. Hearings before a Special Subcommittee of the Committee on Foreign Affairs, House of Representatives, Eighty-first Congress, First Session, on H.J. Res. 334, a joint resolution to amend certain laws providing for membership and participation by the United States in certain international organizations. July 21 and 22, 1949. iii, 70 pp.

(Continued on page 242)

Status of Freedom in the World Today

by Under Secretary Webb¹

Everybody who talks about freedom has his own idea of what it means. I am going to give you mine, for what it is worth.

If I were given the impossible job of measuring the amount of freedom in the world today, I might go about it this way. I might take a great public opinion poll of every man, woman, and child in the world, and ask each one of them this question: "Do you believe that you have it in your power to improve your lot in the world, and perhaps even help someone close to you to do the same?" And whoever answered "Yes" to that question would, in my opinion, be in some degree a free human being. That is how I might measure the status of freedom in the world today.

Now you will say that is a very crude way to measure freedom, and it undoubtedly is. But if a human being believes he can better his lot in the world, then he has a sense of opportunity. And a sense of opportunity is at the very root of progress. Now I believe that freedom is bound up with progress, and progress is bound up with opportunity. No matter how poor a man may be, no matter how lowly his dwelling, if he can see a chance of making a better life by his own work, and his own effort, and his own will, then I say he is in some degree a free man.

Now where does this very simple condition of human freedom exist in the world today? It exists wherever man has some small but real degree of political power. It may not be the power of political office—only a handful in the world have that. It may be only the power to lift a small voice in the management of a small community. But that is the beginning of political power. That is the start on the road to freedom.

Let me give you an example. Only the day before yesterday a great and memorable thing happened in the history of human freedom. A new republic was born. A new democratic constitution came into effect. It was the republic

and the constitution of India. Now the 350 million citizens of this new republic of India are, in a material sense, among the poorest and humblest people in the world. But they are the inheritors of a great and proud civilization. Today, most of them lack what most of us would consider the barest necessities of life. When every day is a struggle for existence, how can anyone have a sense of freedom—or a sense of anything except the desperate need to scratch for a living? Yet because of their new political independence, because they are building new democratic institutions, these people of India will have a better chance. They will have a better chance to make their own lives in their own way, and thereby, perhaps to learn what freedom means.

In recent months, that new and better chance has come to other millions of people in Asia: To millions in Pakistan, in Burma, in Ceylon, in the Philippines, in Korea, and in Indonesia. And the birth of these new independent nations is one of the great and hopeful things that has happened for these peoples and for us.

Therefore I say to you that political independence and political freedom are the roots out of which all other freedoms grow—freedom to speak out, to worship, to work, and to live without fear. We Americans know this. The founders of our country came here seeking freedom, but they did not really find it until they had fought and some of them had died for political independence. Out of our political freedom came opportunity, and out of opportunity came progress.

So I urge you, guard your political freedom. Give some of your thought and your time and a part of your energy to the art of democratic government. Teach your children to believe in it. Respect your neighbor's right to work for it in his own way.

It is a hard and cruel thing, but a noble thing, to die for freedom. It is a nobler thing and, in many ways, much harder to live for it. But in living for it we shall meet the supreme test of this century: the test of whether we shall nobly save or meanly lose the last best hope of earth.

¹ A radio talk over the National Broadcasting Company network on Jan. 28, 1950, and released to the press on the same date.

A Favorable Climate for Private Investment¹

"Loans of public funds cannot of themselves bring about economic development. They help to create the basic structure, but the main job must be done by private capital," Assistant Secretary for Inter-American Affairs Edward G. Miller, told a meeting on Inter-American affairs in Chicago on February 1.

Mr. Miller discussed the question of creating favorable conditions for private investment in Latin America and outlined seven major factors that affect the rate of private investment in the other American Republics.

"Large as United States private investments are, the rate of new investment is slow, much slower than it need be or should be," Mr. Miller said.

The Assistant Secretary identified those factors that bring about a favorable climate for private investment as confidence; the kind of government that exists in a country which seeks foreign investment; local investment; absence of discrimination against foreign investment; confidence on the part of the investor that, if he earns money abroad, there will be dollars available for the transfer of his earnings; a fair and rational system of taxation; and last, the technical competence and know-how to make the capital productive.

In discussing each of these requirements, Mr. Miller had this to say:

I

Confidence

The first thing we mean is confidence—and confidence involves personal considerations. It is no accident that the first article of the treaty of friendship, commerce and economic development recently signed with Uruguay is entitled "Entry and Basic Personal Rights" and that the second is entitled "Protection of Persons." Unless management can follow capital in reasonable numbers there will be no investment. Unless the man-

agerial staff receives personal protection, there can be no stability of investment. These are basic concepts: the inviolability of the home; the right to pursue one's own religious beliefs; the right to a prompt and fair trial in case of accusation of crime. If one of our nationals is the victim of a personal crime, it is reasonable to expect that effective police and judicial measures will be taken against the criminals. Where criminals go unpunished, as in some cases in which managerial personnel have been murdered, the result is necessarily a lessening of confidence.

Stable Institutions

The basic factor of confidence is thus inseparable from a second factor, namely, the kind of government that exists in the country which seeks foreign investment. Our people cherish the ideal of stable, representative, democratic institutions. Our people know that stable democracy provides the best governmental structure under which private enterprise can operate.

Local Investment

The third basic factor essential for the attraction of foreign investment is local investment. Our nation has always been open to foreign capital, but one of the circumstances which encouraged foreign investors to come in was the fact that our own capital would be working side by side with theirs. In countries where foreign investment is the only investment, foreign investment is an oddity and its managers are intruders. The foreign enterprise, by its conspicuousness, is exposed to dangers which would not arise in a setting that included domestic as well as foreign investment. Moreover, an active and healthy degree of local investment activity is bound to insure a richer market for the products of foreign investment whatever they may be. Investors are not ordinarily attracted to areas that are stagnant economically.

The inadequacy of local capital is, in fact, one of the substantial deterrents to new investment in Latin America. Age-old habits of investment in real estate—the epitome of a stagnant economy—

¹ An excerpted version of an address given on Feb. 1, 1950, at a meeting sponsored by the Chicago Council on Foreign Relations with the cooperation of the Inter-American Council of Commerce and Production (Chamber of Commerce of the American Nations). For complete text, see Department of State press release 73.

cannot be easily broken. In many countries, among the peoples themselves, there are symptoms of an essential lack of confidence. The most obvious symptom is the flight of capital. So long as a great part of private Latin American capital is invested in the more developed countries there is bound to be a shortage of locally available capital. Another symptom is the tendency to amortize an investment in the least possible time. A return of 10 percent per annum on an equity investment is often regarded as too small. Twenty percent or more is not regarded as excessive in some countries. This kind of thinking about the function of capital investment is obviously different from our own.

It is not only private investment from abroad that is inhibited by the shortage of local capital. Loans of public funds are also held back. It has not generally been the policy of our public lending institutions to provide for local currency expenditures. In an irrigation or hydroelectric project, however, local expenditures may represent a great part of the total enterprise. One of the major impediments to the making of loans in such cases has been the difficulty that confronts local sources, including governments, in providing for the local currency costs without causing inflation.

Absence of Discrimination

A fourth requirement for a favorable climate is absence of discrimination against foreign investment. A foreign company may be an attractive target, especially if it is big. Discrimination may take the form of direct action, such as expropriation or exclusion from certain types of normal business activity; or especially onerous taxes may be imposed upon foreign enterprises. It is our policy to eliminate the threat of discrimination by negotiating treaties of friendship, commerce, and economic development with our fellow American Republics. Such treaties are designed to provide a set of rules under which foreign investment activities may be carried on.

Dollar Transfers

A fifth factor essential to United States foreign investment is confidence on the part of the investor that if he earns money abroad there will be dollars available for the transfer of his earnings. There are only six or seven countries in the hemisphere that do not have dollar-shortage difficulties. Some of the others have, nevertheless, assigned a high priority under their exchange-control systems to the transfer of current earnings on foreign investment. Furthermore, the standard form of the treaty of economic development contains general assurances on this point. The stark fact, however, is that any assurances of this nature—regardless of their sincerity—are subject to the availability of foreign exchange at any particular time.

That dependence on the supply of foreign exchange cannot be completely eliminated by any written document. This situation has no counterpart in the field of domestic investment.

To deal with this problem of convertibility, we have asked Congress to authorize the Export-Import Bank, on the basis of funds already available to it, to extend certain limited guaranties to foreign private investments with respect to risks peculiar to such investment. The most important risk is that one arising out of foreign-exchange shortages; although other risks, such as those of expropriation and war damage, could be included. A similar guarantee provision has been included in the ERP legislation. The present proposal has substantial backing in business circles. It also has opposition in business circles. Part of the opposition is based on a fear that the proposal threatens established American enterprises abroad.

I do not, myself, find this fear well-founded. The proposal involves only an extension of the Export-Import Bank's present authority. The Bank already has ample power to purchase many types of securities and notes of American companies or their subsidiaries abroad. It has always administered this authority with due regard for established American businesses. Since it has not misused the authority which it already possesses, there is no reason to suppose that it would misuse its extended authority. Furthermore, the Bank proposes to make it clear that guaranteed investments rank in all respects with all the other United States investments in the country involved and that the nature of the treatment accorded them will reflect this equality. Any local currency received by the Bank in connection with a guaranteed investment will rank with local-currency proceeds of other United States investments in regard to priority of claims upon the exchange resources of the country concerned.

Some critics have objected to the guarantee program because they believe that our Government should not associate itself with private business in such a way. These critics have overlooked the extent to which our Government has, throughout our history, helped private industry right here at home. Where would Chicago be if railroads had not been helped through land grants and subsidies? What of the activities of the Reconstruction Finance Corporation, which does not merely incur contingent obligations with respect to private businesses but actually advances funds for their support? Our aviation and shipping industries receive direct subsidies from the Government. Our agriculture is based on various types of subsidy to which both political parties are committed to different degrees. The guarantee program is much more limited and indirect than any of these examples. It involves no present appropriation of funds. In the long run, it may involve no outlay whatever by our Government.

Equitable Taxation

A sixth factor in attracting foreign investment is that of a fair and rational system of taxation. Prospective foreign investors pause before the prospect of double taxation. They are even more hesitant to involve their funds in the uncertainty that characterizes the administration of the tax laws of some foreign countries. Our Treasury Department is now negotiating tax conventions with a number of American Republics, which should provide incentives to investment through real concessions on both sides. Such treaties will lay down the rules of the game in the tax field. They will prescribe mutual formulae for such unglamorous but vital questions as the determination of income and of allowable deductions. They will also prescribe methods of consultation between the administering agencies of both governments.

Technical Competence

A seventh element in attracting foreign capital is the technical competence and know-how to make the capital productive. The absence of technical competence in underdeveloped areas—and that absence is a prime characteristic of such areas. Technical skills attract capital, and capital is accompanied by technical skills. Through the Institute of Inter-American Affairs and other agencies of our Government we have been actively helping the peoples of the Americas to improve their basic skills in agriculture, public health, and industrial arts. We have asked Congress under the Point 4 Program for an increase and expansion of such cooperative activities.

A word about the role of labor. Nothing could be more conducive to a rapid rate of investment than an increased recognition of the important role of responsible and progressive trade union movements by those unions dedicated to increased productivity and improved working and living conditions and not those serving the political ends of a foreign country.

II

What more should we be doing? The job is not ours alone. It is not even primarily ours. It is not, in the first instance, the job of our Government or of private enterprise in this country.

Our 20 fellow republics in this hemisphere are juridically our equals. Like us, they have their own sovereignty and enjoy the dignity of their own independence. Like us, they assume responsibility for themselves. Each carries its own destiny in its own hands. Each regulates its own affairs with no less authority than that which we exercise over our affairs in this country. Each must decide for itself what it will do about its own economic development. Each must decide for itself whether it wants foreign private investment and, if so, whether it is prepared to establish the conditions necessary to such investment. It would be an impertinence on our part to presume that

we could make these decisions for our neighbors in the hemisphere. We come into the picture only when they come to us, as a source of capital and technical knowledge, and request our support of the efforts they are prepared to make for the strengthening of their own economies.

Augmenting Development

There is a basic principle involved here that we must all keep in mind—we in this country and our friends in the other American Republics. Secretary Acheson expressed it effectively when he said on January 12 before the National Press Club that American assistance can be effective when it is the "missing component" in a situation otherwise favorable with respect to economic and political progress. Most of the components in the situation we have been contemplating must be furnished by the other American Republics. They must furnish all seven of the foregoing components, though we can help with some of them. Only they can furnish other components, tangible and intangible, that bear upon the possibility of conducting business under fair conditions. For example, the rate of exchange fixed by a government may, without being discriminatory, be so arbitrary in its operation as to make it impossible to conduct business in the country. Again, even though an exchange rate is realistic, the operation of an exchange control may obstruct progress. The system of justice in a country may be such as to create doubts as to contractual rights. We have all seen how nationalistic tendencies, when they affect fiscal and governmental policy may stultify the possibilities of foreign investment. Finally, I shall allow myself to depart from diplomatic practice just long enough to say to you that there are cases, as we all know, in which administrative venality is a major impediment to investment and to the economic development of a country. These things are not wholly unknown anywhere, our own country included, but wherever they exist they are a local responsibility.

The Will for Assistance

The creation of favorable conditions for private investment depends fundamentally upon the will of the country concerned. In the absence of that will, nothing we could do would create those conditions. The treaties mentioned would be of little use. Public loans would not lead to the private initiatives on which economic development depends.

This, then, is the setting in which our Department of State must perform the role which falls to it. This role is through good will and mutual effort to help, first, to bring about a clear understanding of the factors that affect investment, of the need for programs of positive action by the governments that want investment, and of the things that can be done by governments to attract

investment. By and large, this process resolves itself into tedious and unspectacular efforts in specific situations.

The suggestion has been made that we withhold all economic cooperation except on condition that the other country enter into a treaty of friendship, commerce, and economic development with us. Nevertheless, this restriction confuses the form with the substance. It substitutes the device of a treaty for the objective of a treaty, which may be attained by a variety of other and, in some cases, better means. It substitutes indirect compulsion for the willing reciprocity that must exist, in the long run, between cooperating nations. For 20 years we have been trying in our Latin American policy to erase the old notion that we would not scruple to throw our weight around, to use our economic power in order to force concessions from other nations. Though we have made great progress, the notion still has some currency in Latin America. The fact is that we are cooperating on a voluntary basis with the other American Republics in our common interest, because the health of our entire community depends on the development of each one of us. The common good, which is the objective of our policy, must not be confused with petty bargaining advantages. The spirit of reciprocity is not a bargaining matter. A bargaining attitude on our part would, in fact, destroy it.

Latin American Concepts

At the same time, it should not be thought that the Department of State is disposed to favor large loans of public funds to countries which do not welcome our private capital. In some countries, so many difficulties have been erected in the way of private investment—local as well as foreign—that private productive investment is infinitesimal. In such circumstances, it is difficult to see how United States financial assistance could be fruitful from the standpoint of achieving sound economic development. We do not intend through public lending to compensate for the failure to make the most of natural resources through vigorous economic activity on all fronts. Our Government will naturally favor making public loans to countries where the broader objectives of our program can be accomplished. We will in general select situations where public loans will be accompanied by private activity—local or foreign. If our record of public lending is scrutinized, it will be seen that the recipient nations have generally been those where our loans can do most good in terms of these objectives. It will also be seen that they have been those with the highest development of stable democratic government.

While there are obviously hard problems ahead, we find that some countries have made encouraging progress. In these cases, the adoption of a few additional measures of self-help and mutual aid should complete the necessary basic frame-

work for rapid and continuing economic expansion.

The fact is that the Latin American Republics are more keen today than ever before to do something positive for the achievement of their economic development. In many countries, it has become the principal preoccupation of their governments. They are increasingly aware of what it takes to achieve economic development. They are learning to think about the heavy disadvantages of a narrow economic nationalism. They are learning the importance of making themselves attractive to capital.

Faith in U.S. Investors

Finally, then what can we all do in a positive fashion to improve the climate for foreign investment in the other American Republics? Our foreign enterprise must so conduct itself as to justify a welcome reception abroad. It must act in good faith. It must understand the essential principle of mutuality, that both parties must profit. Just as the investor must be assured of fair and sympathetic conditions, so the country receiving the investment must be assured that its own vital interests will be honored. We must be willing to justify such assurance by our conduct.

It is only fair that we recognize that some American businesses have, on occasion, behaved in a fashion that has tended to make all American business enterprise unpopular. Such behavior has always been exceptional and it is rare today. Our Government, if only in the interests of American business as a whole, is not going to encourage this kind of foreign investment.

Very recently, a bill was introduced in the House of Representatives by Chairman Kee of the Foreign Affairs Committee and Republican Congressman Herter, under the name of "International Economic Development Act of 1950." This bill—which is the proposed legislation implementing Point 4—has bipartisan support. The following is an excerpt from the statement of policy in the bill:

International investment can make its maximum contribution to economic development only where there is understanding of the mutual advantages of such investment and where there is confidence of fair and reasonable treatment and due respect for the legitimate interests both of the people of the country in which the investment is made and of those who make the investment. This involves confidence on the part of the people of the underdeveloped areas that investors will conserve as well as develop local resources, will bear a fair share of local taxes and observe local laws, and will provide adequate wages and working conditions for local labor. It involves confidence on the part of investors, through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation; that they will be given reasonable opportunity to remit their earnings and withdraw their capital; that they will have reasonable freedom to manage, operate, and control their enterprises; that they will enjoy security in the protection of their persons and property, both industrial and intellectual, and nondiscriminatory treatment in taxation and in the conduct of their business affairs.

Streamlining the Department of State¹

PROCESS OF MAKING POLICY AND TRANSLATING IT INTO ACTION

The Department of State is a comparatively small department, with a comparatively modest budget, compared, that is, with other important Departments of the Government, such as Agriculture which has 3 times as many employees, and the Treasury, which has 4 times as many.

At the present time, the State Department has about 20,000 employees. Approximately 13,000 of them are scattered around the world at 300 posts in 75 countries, and the rest—about 7,000—are manning the home base in Washington.

Last year, the operating budget, including the cost of maintaining our Foreign Service in 75 countries, was about 160 million dollars. That sum represents about 7/10 of 1 cent of the United States budget dollar. It is also a small fraction of the whole cost of carrying on the foreign affairs of the country. Last year the cost of foreign affairs accounted for 16 cents of the budget dollar. The difference of 15.3 cents went for such things as the European Recovery Program, the Army's occupation costs, and what we contributed to the support of the United Nations and other international organizations.

Ten years ago, the Department had 974 employees in Washington, one for every seven we have today. Ten years ago we had in the field service about 4,000 people of whom only about 1,600 were American citizens. In short, the home staff has multiplied 7 times, and the size of the Foreign Service has trebled in the past decade.

When one considers the change in the position of the United States and when one examines the multiplication of our responsibilities and our interests all over the world, that expansion of staff is not remarkable. But it has raised a number of serious problems. Some of these problems are the kind any housewife would encounter who has to feed and manage a rapidly growing family. Others are the kind of problems a business man

must meet during a fourfold expansion of his plant. And still others, considering the complexities of the world situation, are of the kind that would tax the wisdom and patience and judgment of King Solomon.

The President is responsible, under the Constitution, for the conduct of the foreign relations of the United States. In carrying out this responsibility, the President's right arm is the Secretary of State and the Department. The President has other arms of course, some 45 of them, to help him in our foreign relations. He has the Defense Department for military matters, the ECA for European recovery, the Commerce Department for export control, the Export-Import Bank for foreign loans, and many others. But his strongest and most important arm in the field of foreign relations is the Secretary of State. This is true in practice today. There is a very close personal relation between these two remarkable men. Mr. Acheson goes to see Mr. Truman at least twice a week and sometimes more often. And when Mr. Acheson goes to the White House to discuss the problem of the Far East, or Germany, or Spain, or a threat to the peace in Latin America, or any one of a dozen other serious situations, he goes armed with the best information and the best advice and counsel that his Department can provide, plus his own personal judgment of that situation.

Now, one test of the State Department's usefulness is the speed and efficiency with which it can provide the Secretary of State with the best information and the best opinion and the best collective judgment of the Department's experts.

The State Department is an absolute gold mine of facts—many of them conflicting. Being a collection of very human human beings, it is also a great factory of ideas and opinions and judgments—often conflicting. Only after the facts have been sifted and collated, the opinions weighed, and the differences thrashed out, can policies and actions be recommended to the Secretary, and by him, in turn, to the President.

Part of my job during the past year—perhaps

¹ An excerpted version of an address by Under Secretary Webb delivered at Oxford, North Carolina on Jan. 27, 1950. For complete text, see Department of State press release No. 79 of Jan. 28, 1950.

the main part—has been to streamline and speed up this immensely complicated process that I have suggested, this process of making policy and translating it into action. Plans for streamlining the work of the Department had been devised under the leadership of General Marshall. These plans were the basis for the recommendations made by the Hoover Commission, of which Mr. Acheson was vice-chairman before he succeeded General Marshall as Secretary of State. We have been putting these recommendations into effect during the past year.

Practical Results Achieved

One tremendously important result has been to relieve the Secretary of State of the necessity of making dozens of relatively minor decisions. Literally, hundreds of these decisions are now made by the ten Assistant Secretaries and myself. This arrangement leaves Mr. Acheson freer to consider and think through the major problems of foreign policy. And that is a big enough load for any man to have on his mind. It is more than enough to keep him busy when he is not fulfilling all the ceremonial and diplomatic and congressional duties that the job of Secretary entails.

During the past year, the number of papers that come to the Secretary for his signature or for action of one kind or another have been cut by more than half. A small group of people called the Executive Secretariat follows closely all the work going on in the Department and looks at every paper before it reaches the Secretary's desk to see that it has been cleared by the right people and, if it is for the Secretary's signature, that all the right people are agreed he should sign it.

Another improvement we have made in the last year is to bring together all the people who have to know and make decisions about a particular area. For example, a problem concerning Latin America is now considered jointly by all the experts in that area—political, economic, intelligence, and informational experts. Until recently, these four kinds of experts were situated in different divisions of the Department and often in different buildings. In the process of bringing these people together, we cut the number of organization units in the Department from 393 to 213—a cut of 45 percent. All this has made our operation simpler and more efficient. No one can ever again accuse the Department of being what one wit once called “a loose confederation of hostile tribes.”

A third improvement we have made, in line with the Hoover Commission's ideas and our own, is to strengthen the top command of the Department. This strengthening has been done in several ways. For example, the number of Assistant Secretaries has increased from 6 to 10 during the past year. Two of them are assigned as my deputies, thus giving the Under Secretary what Mr. Acheson once called “a fighting chance for life.” We have

also added an Ambassador at Large who can undertake special missions and can represent Mr. Acheson at international conferences all over the world, making it possible for him to spend more time in Washington.

During the past year, we have also developed to a very high point of usefulness the work of that remarkable group known as the policy planners. The Policy Planning Staff is a capsule of concentrated brain power and experience in diplomacy—6 men and one woman—sometimes known as the crystal gazers. It is their job to look into the months ahead to foresee the problems that are likely to arise and to develop plans to meet those problems. It is also their job to stand off and criticize the policies of the Department. This little group has done such valuable work and has become so indispensable that it is hard to imagine how the Department ever got along without it.

Relation Between People and Government

These, then, are some of the things that have been going on within the State Department during the past year. Some people may look upon the changes we have made as family matters, of no particular interest or concern to the American people. I happen to believe that the way we run our business of foreign relations not only interests the public, but concerns it directly. And that brings me to another problem to which I have been giving a good deal of time and thought since I came to my present job. That is the problem of developing a much more intimate relation and a much closer understanding between the people and their government.

Speaking quite frankly, I think a good deal needs to be done to bring the State Department and the people it serves closer together. Admittedly, this is not an easy thing to do. On the one hand, it is not possible for practical purposes to have 150 million people actually take part in the making of foreign policy.

On the other hand, no foreign policies are worth the paper they are written on unless they reflect, in a very real and fundamental way, the attitudes and purposes and interests of 150 million people.

This is not an ordinary problem of public relations. It is not a question of “selling” to the people something that has been made in Washington. I have no patience at all with the idea that foreign policy is something separate from the people that can or should be “sold” to them. I give my fellow Americans credit for being just as interested as I am in matters that concern them closely and have a direct bearing on the well-being and happiness of their children.

The need, as I see it, is somehow to make the problems of foreign relations so clear, so vivid and so human that whether we live in North Carolina, or in California, or in Washington, we will feel that they concern us. We will take a personal interest in what can be done about them. And we

will measure what is done in terms of the national welfare and the national interest. The need for this kind of thinking puts a great responsibility on those of us in government. It puts an equal burden on the citizens who hire us to look after their interests.

Essential Role of the Foreign Service

I sometimes wonder whether people know what is involved in looking after their interests abroad. What is involved, for example, in gathering the basic information without which foreign policies could not be made intelligently?

I wonder how many of us realize that we are able to get this basic information because 7,000 Americans are willing to serve their country abroad, because they are willing to cut themselves off from home and to work and live in places that are often uncomfortable and unhealthy—and sometimes dangerous. This is the Foreign Service of the United States. These people come from all 48 States of the Union.

Let me select one or two examples at random out of the files of the Foreign Service. At the present time, there is a North Carolina man representing the United States in Bangkok, the capital of the independent nation of Thailand which borders on China in the South.

The continued political independence of Thailand is an American interest; and since the war, we have increased our mission there to about 75 employees,—many of whom are Thai. We are interested in trade with Thailand which has valuable resources such as tin, rice, rubber, and teak. Bangkok is also an ideal observation post for the whole area of Southeast Asia.

Life in many Far Eastern countries presents certain inconveniences and hazards. Temperatures during the rainy season are apt to stay around 100 degrees. Cholera, smallpox, and typhoid fever claim many victims.

Health and sanitary conditions generally are not so advanced as in the United States. There are few Western-trained doctors, dentists, or oculists. Educational facilities are behind ours.

Half-way around the world another officer serves the United States in the Belgian Congo. He is a mining engineer and geologist, and, as consular attaché, he represents our American interest in the vast and largely untapped mineral resources of that part of Africa. He makes his headquarters in Elisabethville, a city with an estimated white population of 6,000 and a Negro population of about 72,000.

Health conditions in Elisabethville are pretty good, but malaria is an ever present danger. Again, one is told to bring along an extra pair of spectacles and not to rely on local dentists. His post is in one of two American consular offices in the whole Congo, and it alone covers a territory just a bit larger than the combined area of Florida, Georgia, Alabama, Mississippi, Tennessee, North

Carolina, South Carolina, Virginia, and Kentucky. A trip to Léopoldville, 1,000 miles away, takes 9 days by boat and rail. If one is lucky enough to get a plane, he can do it in 6 hours.

These men are pretty representative of the men and women who are serving us in our 300 American missions all over the world. These men and women are living in all kinds of climates—from the hottest to the coldest in the world. More than that, they are raising families of American children in those places and climates.

Their work is an absolutely essential part of carrying on the foreign relations of the United States. Their job is to look after our interests and to send information to Washington. Our job in Washington is to send them not only instructions and information, but also furniture, refrigerators, electric heaters, ordinary drugs, and sometimes even diapers.

Essence of American Power

The essence of American power in the world is not our military strength. It is not in the wealth we produce. It is what we ourselves are. It is our attitude toward the people of other countries.

And what is that attitude? Throughout all our history, it has been that we are interested in other people as people. We are interested in them, as Mr. Acheson recently said, not "as pawns or as subjects for exploitation, but just as people."

We want them to be independent because that is what they want for themselves. We want them to have enough to eat and a decent roof over their heads because that is what they most deeply want.

We oppose communism because of what it does to people. We see communism being used as an imperialist weapon to rob people of their national independence and their individual freedoms. And so we are against it.

This attitude of ours is an essential fact of our American character and of our foreign relations. So long as we put the needs and interests of people above all else, we cannot go far wrong in our foreign relations.

Indonesian Official To Discuss Export-Import Bank Loan

Statement by Secretary Acheson

[Released to the press January 25]

Dr. Djuanda arrived in Washington on Tuesday and plans to discuss the eligibility of Indonesia for a loan from the Export-Import Bank with officials of that institution. He will also discuss the economic and financial situation in Indonesia with interested officials of the Department of State and other agencies of the United States Government. I am very glad Dr. Djuanda is here.

Fostering International Understanding

SECOND SEMIANNUAL REPORT ON EDUCATIONAL EXCHANGE¹ JANUARY TO JUNE 1949

On December 29, 1949, the United States Advisory Commission on Educational Exchange submitted its second semiannual report on the educational exchange activities to the Congress.

The membership of this Commission is as follows: Harvie Branscomb, Chairman; Mark Starr, Vice Chairman; Harold Willis Dodds, member; Edwin B. Fred, member; and Martin R. P. McGuire, member.

EDUCATIONAL EXCHANGE ACTIVITIES UNDER PUBLIC LAW 402, 80TH CONGRESS

The Commission on Educational Exchange takes this occasion to reaffirm its belief that the international exchange of ideas and knowledge between this country and others is of major importance. Mutual understanding, respect, and confidence are today as important to national security as economic and military strength. The fostering of international understanding is qualitatively as important a factor of our foreign relations as the provision of economic and military aid to like-minded nations.

Present circumstances force this country to maintain large-scale armaments as a measure of security for itself and for friendly nations. We must not forget, however, that success in preventing war does not assure of itself the preservation of our security and personal freedoms.

International harmony and understanding can only be achieved through the conscious choice of millions of individual minds. Enduring peace and prosperity will be achieved only when peoples realize that they have common interests and concerns, understand each other and work harmoni-

ously toward common goals. That is the No. 1 fact of international life today. It is the humanizing factor in the conduct of international relations.

The Government in International Exchange Activities

The first official United States program for the exchange of ideas and persons with other countries was undertaken in 1939 as a practical expression of the good-neighbor policy toward Latin America. At that time, the United States and Latin-American countries initiated a number of projects for the cooperative interchange of educational, cultural, scientific, and technical knowledge and skills, many of which are still in operation.

Today, the good-neighbor policy has in effect been extended worldwide. In our support of the United Nations, the United Nations Educational, Scientific and Cultural Organization, and of many other specialized agencies and cooperative programs, we are daily living that policy in cooperative international action. We also have several programs of direct United States Government sponsorship of international exchange.

One of these programs was begun under Public Law 584 of the Seventy-ninth Congress, the Fulbright Act, which provided that certain foreign currencies obtained from the sale of our surplus property abroad might be used for educational exchange between the United States and some 20 other countries. In a similar action, Public Law 265 of the Eighty-first Congress provides for the use of future payments on the Finnish World War I debt for educational instruction and training in the United States for Finnish citizens and for the provision of American books and technical equipment for institutions of higher education in Finland.

In response to the need for creating broader international understanding, the Eightieth Congress enacted Public Law 402, the United States

¹ The following version is a partial text of the *Second Semiannual Report on Educational Exchange Activities*, H. doc. 431, 81st. Cong., 2d. sess., for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C., price 15¢. For a text of the Commission's first report to the Congress, see H. doc. 56, 81st Cong., 1st sess.; also BULLETIN of Feb. 27, 1949, p. 263.

Information and Educational Exchange Act of 1948, which called for the expansion of the Latin-American interchange program to the rest of the world and for the establishment of a permanent international information service. The program set up under this law is designed to complement but not to duplicate private exchange programs and United Nations, UNESCO, and other international activities in this field, as well as such other specialized programs as that of the Fulbright Act. It can be considered as the broad basis for all governmental (and private) activities in the field of educational exchange.

Private Organizations and Groups in International Exchange Activities

In developing the exchange program called for under Public Law 402, some basic considerations affecting the work of fostering international understanding have been kept in mind. First, is the fact that the attainment of meaningful results requires an effort far beyond the scope of any reasonable Government program. Much of the effort must be undertaken by private resources. Second, even if the Government had the necessary resources, it would still be desirable that private groups do the bulk of the work in this field. Understanding cannot be fostered on a purely governmental level. It must grow out of a multitude of impressions gained from the daily contact of millions of individual minds.

Essential Characteristics of the Program

The exchange program under Public Law 402 is largely a private program, with the Government assisting and supplementing private exchanges. It calls upon private organizations, concerns, and individuals to continue to carry on a large part of exchanges, and to cooperate with the Government wherever possible in carrying out Government-sponsored exchanges.

Government-sponsored exchange operations under this program involve the coordinated efforts of the Department of State and some 25 other Federal agencies, 10 of which conducted projects under the program during 1949. As a result, the Government is able to find and bring to bear on any given project or activity the necessary specialized knowledge. This coordination assures also that the exchange activities of the other agencies are geared to over-all foreign policy objectives.

Finally, this is by no means solely a United States program. Other governments and foreign groups and citizens also participate very actively. Foreign participation is carried on in a number of ways including cash contributions, wherever possible, as well as the furnishing of facilities,

materials, and personnel for the various exchange projects.

What is being achieved under Public Law 402 is a coordinated application of the United States policy which calls for peoples to deal with peoples, as well as for governments to negotiate with governments, in building a sound basis for peace and progress.

UNITED STATES GOVERNMENT OPERATIONS UNDER PUBLIC LAW 402, 80TH CONGRESS

The Government program of scientific, technical, educational, and cultural exchanges with other countries was conducted during fiscal year 1949 at a cost of approximately \$6,300,000.² While major emphasis was placed on the Latin-American area, certain activities were carried out on a world-wide basis. The most important activities conducted under the authority of Public Law 402 included:

1. A world-wide effort in this country and at 139 diplomatic posts abroad to aid agencies, groups, and individuals with their private exchange programs.
2. The maintenance of 67 United States libraries and 34 reading rooms in 60 countries abroad.
3. The provision of assistance to binational groups in 18 Latin-American countries to maintain 30 cultural centers.
4. The conduct of book exchanges and exhibits.
5. The distribution, mainly to Latin-American countries, of 526,500 copies of translated American publications.
6. The provision of aid for 210 American-sponsored schools in Latin-American countries.
7. The conduct of scientific and technical projects with 20 Latin-American countries in 27 different fields of activity, involving bringing to the United States 296 individuals for advanced technical training and sending 189 United States Government experts in scientific and technical fields (the use of funds for these cooperative projects being restricted to those in Latin America³).
8. The provision of grants for the exchange of 352 leaders, professors, teachers, and students with Latin-American countries.
9. Work by program officers in this country and at some 20 posts in Eastern Hemisphere countries to initiate or develop the educational exchange program under the Fulbright Act and other specialized exchange programs.

² Excluding the salaries and expenses of Foreign Service officers assigned to this work at diplomatic posts overseas.

³ In addition, several Latin-American countries financed 21 grants for in-service trainees to come to the United States. Also a total of 12 countries of Europe, the Near East and the Far East financed 62 grants for advanced training to their nationals.

GENERAL APPRAISAL AND RECOMMENDATIONS CONCERNING U.S. GOVERNMENT OPERATIONS

On appraisal of this program, as conducted during fiscal year 1949 by the Department of State with the assistance of other Government agencies, the Commission on Educational Exchange is strengthened in its conviction that this program is making a substantial contribution to the foreign relations of this country in those areas where it is in operation.

This Commission again states to the American people, the Congress, and the executive branch of the Government that all the operations mentioned in the section describing operations in fiscal year 1949 must be made world-wide if we are to insure genuine understanding and confidence for the United States among other nations.

It is uneconomical and unwise to fail to give proper weight and treatment to the human factor in international relations.

RECOMMENDATIONS TO SECRETARY OF STATE AND ACTION TAKEN

During the past year, the Commission on Educational Exchange made a number of recommendations to the Secretary of State who has regularly concurred with these suggestions and has undertaken to put them into effect.

The Commission's recommendations are given, in part, as follows:

Public Law 402 Activities and the President's Point 4 Program

One of the oldest and most well-developed forerunners of the President's Point 4 Program is the scientific and technical program of cooperation with the other American Republics now being conducted under the authority of Public Law 402 of the Eightieth Congress but initiated a decade ago as a part of the good-neighbor policy. Other forerunners are the 9-year-old projects of the Institute of Inter-American Affairs and, more recently, certain activities of the Economic Cooperation Administration. There are certain principles and suggestions arising from the scientific and technical program of Public Law 402 which the Secretary should have in mind in charting the expanded program.

In the first place, it is clear that the educational, cultural, scientific, and technical programs are interrelated and should be closely coordinated.

While a specific and temporary undertaking may justify independent organization for reasons of immediate effectiveness, a continuing and long-range program of technical and economic assistance, such as the President has envisaged, will need to be continually and closely coordinated with other activities in the educational, cultural, and scientific fields. We are sure that the Secretary

shares this view and will see to it that this close coordination is achieved.

Second, the President has emphasized the cooperative, nonimperialistic approach for Point 4. From this standpoint, the Commission wishes to comment on this Government's experience with the Latin-American program. It has been basically cooperative in nature. Most of the projects have been on a bilateral basis with each nation sharing the responsibilities and the benefits. The results have been very satisfactory. The willingness of the other nations to join the United States in carrying out this program is evidenced by their substantial and increasing contributions as shown in the accompanying graph.

Third, the Commission wishes to recommend a technique used in Public Law 402 program and others to overcome difficulties sometimes resulting from the instability of governments and their personnel. This technique is applied where the United States and another Latin-American government undertake to develop a public service cooperatively, for example, an agricultural station. An agreement is negotiated which requires that any change in annual programs and local personnel must be approved in writing by the appropriate cabinet-level official of the other country and the chief of the United States field party. Proof of effectiveness is found in instances where precipitate changes of government resulted in sweeping changes or upheavals in public programs and personnel of ministries, but where, at the same time, cooperative programs of the country and the United States, solidly based upon concrete agreement, have continued without appreciable modification.

Finally, this Commission finds a great need for broadening the technical training which is now being carried out under Public Law 402. The existing program is too specialized to have wide impact upon the development of a given country.

The Commission makes the second recommendation that the Point 4 Program be based on cooperation between contributing and recipient governments and between different contributing governments. The Department's policy is that Point 4 activities should be undertaken only in response to the requests of other governments and in cooperation with them.

The third recommendation of the Commission favors the use of the *servicio* technique. This technique is already being used extensively by the United States Government, and the Department plans that it should be used even more widely under the Point 4 Program. This would be true both of *servicios* where the United States participation is administered by regular government departments or agencies and where it is administered by the Institute of Inter-American Affairs or by an analogous institute empowered to operate outside the Western Hemisphere.

The Commission's fourth recommendation is

that much wider (and less advanced) technical training be undertaken under Point 4 than was possible under Public Law 402. The Department agrees that, if the Point 4 Program is to achieve results as early and as widespread as possible, it will be necessary to aid educational and training programs in many areas that provide less advanced technical skills than those usually acquired by the specialists brought to the United States for technical training under Public Law 402.

Exchanges With Iron Curtain Countries

On October 19, 1948, the Commission on Educational Exchange made a major recommendation to the Department of State—that, with appropriate safeguards against subversive activities, steps be taken to keep doors open to unofficial exchanges with countries of eastern Europe where freedom of communication is denied.

The Department of State accepted these recommendations as the basis for its policy on educational and technical exchanges. Since that time, several specific cases involving exchange of persons from European countries have been brought to the attention of the Commission for consideration. Among these were special problems arising in connection with the Cultural and Scientific Conference for World Peace which was held in New York in March of this year. In reviewing this and other cases on the basis of information available, the Commission was not disposed to modify its broad recommendations of October 19, 1948.

Assistance to Destitute Foreign Students

GENERAL

At the request of the National Association of Foreign Student Advisers, the Commission has considered the problem of assistance to destitute foreign students in the United States. The Commission members are keenly interested in this problem. They are sympathetic to the general movement for aid to the foreign students and anxious to cooperate with Federal and private groups in arriving at a solution. On the basis of facts currently available, the Commission recommended that the Department of State accept the following statement of policy developed jointly by the departmental officers and the Commission:

(a) That the Department regard the support of private foreign students in this country as primarily the responsibility of these students.

(b) That, in the event of unforeseen circumstances, such as the collapse of a foreign currency making it impossible for such foreign students to continue receiving funds, responsibility for meeting the situation devolved in the first instance on the foreign government concerned.

(c) That, if funds are not forthcoming from the foreign government concerned, the Department should encourage private, or non-Federal institutions, agencies, organizations, and individuals in this country to assist.

(d) That, when it is not possible to secure the required funds from any other source, the Department continue to explore all possibilities of such students obtaining employment in this country, within the provisions of the laws and regulations governing their entry into the United States.

(e) That, in the event the above measures do not provide a solution of the problem in a particular instance, the Department be prepared to consider the provision, on a strictly emergency basis, of Federal funds for this purpose.

(f) That the Department advise its representatives abroad of the importance of a continuing review and appraisal of visa applications of prospective students, with the view of facilitating the entry of properly qualified students into the United States, while avoiding when possible the issuance of visas to persons who are likely to become public charges.

Special Emergency Problem of Chinese Students

The policy statement approved by the Commission is as follows:

(a) That the Department support the allocation by ECA of the \$500,000 requested by the Chinese Government for immediate emergency aid to Chinese students in this country.

(b) That any funds provided by other Federal agencies for this purpose be allocated to the Department of State.

(c) That no grants of Federal funds shall be made to those Chinese students which do not include travel funds for the return of the students to the country of their origin or which are not accompanied by proof that clear and dependable arrangements will be made for their return.

Finnish War-Debt Program

During the period of this report, the Commission submitted the following statement to the Department of State:

Subject to the feasibility of the proposal in the light of our over-all foreign policy, the Commission supports the objectives and principles of the Senate resolution which provides that the United States use future payments on debts, incurred by the Republic of Finland as a result of World War I, for educational instruction and training in the United States for citizens of Finland, as well as American books and technical equipment for institutions of higher education in Finland.

The Senate resolution referred to above has since become Public Law 265, Eighty-first Congress.

Effect of Immigration Laws and Regulations on International Exchanges

The Advisory Commission on Educational Exchange has studied the effect of existing United States immigration laws and regulations on international exchange-of-persons programs. This study included both Government-supported and privately sponsored programs for bringing to this country foreign trainees, professors, visiting lecturers, research scholars, and others whose visits are for bona fide educational, cultural, scientific, or technical purposes.

The attainment of the broad objectives of Public Law 402 is dependent to a great extent upon this Government's facilitation of all types of scientific, technical, educational, and cultural exchanges. The Commission has carefully considered the problems encountered by the Department of State and major private organizations in this country. The members are convinced that certain immigration restrictions on students and nonimmigrant visitors are out of date and must be modified if international exchange programs are to increase to the level envisaged by Public Law 402. Restrictions imposing the greatest burdens are those which place limitations on the receipt of remuneration for services and training by foreign nationals coming to the United States for educational purposes.

Cultural Conventions

At the request of the Department of State, the Commission considered the advisability of the United States' entering into bilateral cultural conventions or other agreements with other countries as a mechanism for promoting understanding between countries. The Commission on Educational Exchange wishes to recommend the establishment of such conventions or agreements, with such countries as may desire them, where it appears that they will further the national interest by attaining the objectives stated in Public Law 402.

Short-Term Study Projects for American Students

Where short-term study projects are under reputable sponsorship and where they embody a learning process and purpose, the Department proposes to continue to offer encouragement and nonfinancial assistance. The Commission on Educational Exchange recommends that this policy be continued.

The Use of Public Law 402 Funds To Support the Interchange or Training of Professional Religious Workers

Our members endorse the position taken to date by the Department that such activities should properly be financed by the denominational or-

ganizations concerned, without drawing upon governmental resources.

The Commission on Educational Exchange recommends that public funds not be used to finance the international exchange of professional religious workers, lay or ordained, for the purpose of engaging in pastoral, missionary, or other professional religious activities.

The exchange of professional religious workers, like the exchange of businessmen, authors, and other public leaders, is necessary to a balanced program of interchange. We have previously recommended to the Department of State that the exchange program should be broadened, largely through assisting private agencies to plan their exchange programs with the objective of including representatives of all major public-service groups. This would, of course, include professional religious workers. However, all public-service groups concerned will expect the Department of State with its limited personnel complement to set priorities on the projects it assists in this way on the basis of the potential contribution of each undertaking to this country's foreign policy objectives.

Our members are aware that all phases of the problem are not covered in this statement; for example, the question of Government-supported exchanges of teachers in theological institutions or exchange of students training for professional religious careers. We wish, however, to defer recommendations on these topics until we can study the issues further and until the Department can advise us more fully as to the legality of such exchanges.

[EDITOR'S NOTE: In the next issue of the BULLETIN will appear excerpts from the report on where and how the program operates.]

Legislation—Continued from page 229

Authorizing Federal Participation in the International Exposition for the Bicentennial of the Founding of Port-Au-Prince, Republic of Haiti, 1949. S. Rept. 739, 81st Cong., 1st sess. 3 pp.

Providing that Future Payments by Republic of Finland on Debt of World War I Shall Be Used to Provide Educational and Technical Instruction in the United States for Citizens of Finland. S. Rept. 740, 81st Cong., 1st sess. 3 pp.

Aid to the Republic of Korea. Report of the Committee on Foreign Relations on S. 2319, a bill to promote world peace and the general welfare, national interest, and foreign policy of the United States by providing aid to the Republic of Korea. S. Rept. 748, 81st Cong., 1st sess. 19 pp.

Amending the Trading With the Enemy Act. S. Rept. 784, 81st Cong., 1st sess. 13 pp.

Certain Cases in which the Attorney General had Suspended Deportation. S. Rept. 762, 81st Cong., 1st sess. 2 pp.

Authorizing Certain Coast Guard and Public Health Service Personnel to Accept Gifts Tendered by Great Britain and the Greenland Administration. S. Rept. 796, 81st Cong., 1st sess. 2 pp.

Fulbright Agreement for Educational Exchange With India Signed

[Released to the press February 2]

India and the United States on February 2 signed an agreement under the Fulbright Act, putting into operation the program of educational exchanges authorized by Public Law 584.

The signing took place at Parliament House, New Delhi, with the Pandit Jawaharlal Nehru, Prime Minister of India and Minister for External Affairs, representing the Government of India and Loy W. Henderson, American Ambassador to India, representing the United States.

The agreement provides for a United States Educational Foundation in India to assist in the administration of the educational program financed from certain funds resulting from the sale of United States surplus property to that country. It provides for an annual program of the equivalent of approximately \$350,000 in Indian rupees for certain educational purposes. These purposes include the financing of "studies, research, instruction, and other educational activities of/or for citizens of the United States of America in schools and institutions of higher learning located in India or of nationals of India in United States schools and institutions of higher learning located outside the continental United States . . . including payment for transportation, tuition, maintenance, and other expenses incident to scholastic activities; or furnishing transportation for nationals of India who desire to attend United States schools and institutions of higher learning in the continental United States . . . whose attendance will not deprive citizens of the United States of America of an opportunity to attend such schools and institutions."

All recipients of awards under this act are selected by the Board of Foreign Scholarships, appointed by the President of the United States.

The Foundation in India will consist of eight members, the honorary chairman of which will be the United States Ambassador to India. The members of the Foundation will include four citizens of India and four of the United States.

After the members of the Foundation in India have been appointed, information about specific opportunities for American citizens to pursue study, teaching, or research in that country will be made public. At that time applications for these opportunities will be received by:

For graduate study: The Institute of International Education, 2 West Forty-fifth Street, New York 19, New York, and by the Fulbright Program Advisers on the campuses of American colleges and universities.

For teaching in Indian elementary or secondary schools: The United States Office of Education, Federal Security Agency, Washington 25, D. C.

For teaching in American elementary or secondary schools abroad: The American Council on Education, 744 Jackson Place, NW., Washington 6, D.C.

For university teaching, or advanced research: The Conference Board of Associated Research Councils, 2101 Constitution Avenue, NW., Washington 25, D.C.

Indian Constitution Comes Into Effect

[Released to the press January 23]

Following is the text of the message from Secretary Acheson to Pandit Nehru, Prime Minister of India, on the occasion of the coming into effect of the Constitution of the Union of India and the inauguration of its republican form of government:

Please accept my felicitations on the occasion of the coming into effect of the Constitution of the Union of India and the inauguration of its republican form of government within the framework of the Commonwealth. The accomplishments of independent India, not the least of which is the adoption of its constitution, have been many. It is our fervent hope that the memorable occasion which is being celebrated today will mark not only this latest development in India's political transition, but also the beginning of an era in which those problems still remaining will be settled.

I am happy to send this message of good will to you and your country, knowing that it is engaged in a common endeavor to promote international peace and to maintain just and honorable relations among nations.

Finnish Students To Study in U.S. Under Educational Exchange Program

[Released to the press February 2]

The Department of State today announced that 35 Finnish graduate students and 10 Finnish specialists will be the first beneficiaries to study in the United States under the Public Law 265 program. This legislation, established as a result of the joint Senate-House resolution passed on August 24, 1949, provided for using future payments on Finland's post World War I debt for a reciprocal educational and exchange program between the United States and Finland. The first funds became available when Finland paid its December installment of \$264,000. In addition to the student and specialist grants, the program also provides for the exchange of scholarly and technical books and laboratory equipment with Finnish educational and research institutions.

A temporary advisory committee in Finland suggested the fields from which the first grantees are to be selected. A permanent Finnish Committee on study and training in the United States, consisting of educators and representatives of the professions, will screen applications for students and trainee grants. Various professional organizations in Finland will nominate the specialist candidates. In this country, private and governmental agencies will assist in placing the grantees.

U.S. Extends Congratulations to Viet Nam

[Released to the press January 30]

Ambassador Philip C. Jessup delivered the following message to His Majesty Bao Dai, Chief of the Viet Nam State, at Hanoi on January 27, 1950.

The Secretary of State, Dean Acheson, has instructed me to express to Your Majesty the gratification of the United States Government at the assumption by Your Majesty of the powers transferred by the French Republic at the beginning of this year, and its confident best wishes for the future of the State of Viet Nam with which it looks forward to establishing a closer relationship. My Government believes that both the people of Viet Nam and the people of France are to be congratulated on this development.

The Secretary of State also asked me to express his personal hopes that Your Majesty will succeed in his present endeavors to establish stability and prosperity in Viet Nam, which, Your Majesty may be assured, my Government is following with close attention.

Kremlin Recognizes Communist Movement in Indonesia

Statement by Secretary Acheson

[Released to the press February 1]

The recognition by the Kremlin of Ho Chi Minh's Communist movement in Indochina comes as a surprise. The Soviet acknowledgement of this movement should remove any illusions as to the "nationalist" nature of Ho Chi Minh's aims and reveals Ho in his true colors as the mortal enemy of native independence in Indochina.

Although timed in an effort to cloud the transfer of sovereignty by France to the legal Governments of Laos, Cambodia, and Viet Nam, we have every reason to believe that those legal governments will proceed in their development toward stable governments representing the true nationalist sentiments of more than 20 million peoples of Indochina.

French action in transferring sovereignty to Viet Nam, Laos, and Cambodia has been in process for some time. Following French ratification, which is expected within a few days, the way will be open for recognition of these legal governments by the countries of the world whose policies support the development of genuine national independence in former colonial areas.

Ambassador Jessup has already expressed to

Emperor Bao Dai our best wishes for prosperity and stability in Viet Nam and the hope that closer relationship will be established between Viet Nam and the United States.

U.S.S.R. Motives on Trying Emperor of Japan Questioned

[Released to the press February 3]

On the afternoon of February 1, 1950, the Soviet Ambassador handed a note to the Secretary of State proposing the early appointment, in accordance with a Far Eastern Commission policy decision of April 3, 1946, of a special International Military Court to try as war criminals the Emperor of Japan and several former Japanese generals on charges of crimes against humanity.

The timing and content of the Soviet note—coming as it did 4½ years after the surrender and many months after the war crimes trials in Japan had been terminated—strongly suggest that the principal motivation of the note is to divert attention from Soviet failure to repatriate or otherwise explain the fate of over 370,000 Japanese prisoners detained in Soviet-held territory. Following repeated efforts by General MacArthur's headquarters to obtain information on the fate of these prisoners, the Secretary of State sent a note on December 30, 1949, to the Soviet Ambassador urging that his Government agree to the designation of an international humanitarian organization charged with making a complete survey of the situation. No reply, not even an acknowledgment, has been received to this note.

The minutes of the seventh meeting of the Far Eastern Commission on April 3, 1946, show that the Commission approved the policy decision referred to by the Soviet Ambassador with the express understanding that the directive to be forwarded to the Supreme Commander embodying the Far Eastern Commission decision should be so worded as to exempt the Japanese Emperor from indictment as a war criminal without direct authorization. Since the directive to the Supreme Commander was so worded, he can accordingly take no action against the Japanese Emperor without a new policy decision by the Far Eastern Commission.

These facts are known to the Soviet Government, which could have introduced a policy proposal in the Far Eastern Commission, in accordance with normal procedure, along the lines of the recommendations contained in its note. That the Soviet Government did not elect to do so but made these belated charges in a sensationalized manner raises obvious questions about the real motive behind the Soviet note.

Deadline for Filing War Claims Against Thai Government

[Released to the press January 26]

In August 1947, the Thai Government agreed to terms of reference for the settlement of claims of American nationals against the Thai Government arising out of their internment in Thailand, the seizure of their property in Thailand, or the loss of, or damage to their property in Thailand as a result of the war. A substantial portion of the claims has already been examined by the Thai Claims Committee and awards have been paid to claimants.

At the request of the Thai Government, the Department of State has agreed that the final date for the submission of claims to the Thai Claims Committee shall be April 30, 1950.

Deadline Extended for Applying for Securities Outside German Republic

On November 16, 1949, the Department made an announcement relating to the requirements for validating securities of German origin and denominated in German currency.¹ This announcement in part indicated that securities payable in German currency (other than bonds issued by the old German Government or its agencies) which are physically located in the German Federal Republic and currently held for the account of absentee owners are eligible for certificates of negotiability under German Ordinance 155 only if German credit institutions or other representatives of absentee holders file applications before January 31, 1950.

The Department has just been informed through official channels that German authorities have recently construed the January 31, 1950 deadline as not applying to cases where the securities are physically located outside of the German Federal Republic. This extension will allow such holders to make application for certificates of negotiability under German Ordinance 155 for the settlement of securities until at least May 31, 1950. Deadlines pertinent to applications for certificates of negotiability under this extension will be announced by publication in the official gazette of the German Federal Republic in respect of each particular security, but in no case will be established prior to May 31, 1950.

Inquiries concerning the validation of securities should be directed to the Securities Settlement Advisory Agency of the German Federal Republic at 29 Broadway, New York 6, New York.

On January 27, the President transmitted to

¹ BULLETIN of Nov. 28, 1949, p. 830.

the Congress the following supplemental request for the Department of State for the fiscal year 1951:

An additional \$2,902,594 is requested for the Department of State for contributions to international organizations. The 1951 Budget reflected the best estimates then available of the United States share of the costs of these organizations. Since the 1951 Budget was submitted to the Congress, the formulation of the official budgets of three organizations has necessitated revisions in the estimates. The United States contribution to the United Nations budget will be \$16,760,073, an increase of \$2,833,573 over the original estimate. The United States share of the budget of the Pan American Union will be \$1,606,022, or \$152,745 more than the original request. The United States contribution to the United Nations Educational, Scientific and Cultural Organization will be \$2,814,381, a decrease of \$83,724 from the Budget request.

Reconstruction in Greece Speeded Up

Statement by Ambassador Henry F. Grady

[Released to the press February 1]

Progress in reconstruction and rehabilitation in Greece is noticeable on all sides, and now that the shooting war is over this reconstruction is being speeded up so that this year promises to be one of new records in most divisions of Greek production, barring a renewal of the bandit war. This possible situation must, of course, be taken into consideration in any appraisal of Greece's future, and the country is forced to hold itself alert for any eventualities. The refugee situation, which has constituted a serious drain on the Greek budget, is being rapidly cleared up, with more than 500,000 of the some 700,000 already returned to their homes. The remainder will be repatriated this spring, and with all of these refugees back in productive enterprise by June this year, the Greek economy is bound to be proportionately improved. The army also is being reduced in size which means that savings from military expenditures can be utilized in reconstruction activities. Taxation loopholes are being plugged, and reduction or elimination of subsidies are under consideration which would serve to strengthen the entire Greek economy.

The Greek people are fast learning effectively to use American aid and American technical knowledge and, since the end of the war, have taken on a new spirit of hope and confidence in the future.

There would seem to be no reason to believe that either the elections, as such, or any new govern-

ment to be chosen early in March will adversely affect this stimulated reconstruction effort. It is going ahead, as usual, under the present caretaker government which will be in power until a new government is formed as a result of the vote.

These elections, being held under constitutional authority and to be conducted in a wholly democratic manner, have aroused the keenest interest throughout Greece, and participation in the voting promises to be heavy. There need be no disturbing doubts over the fact that there may be as many as 40 parties in the field and that, by reason of so many parties, recriminations during the campaign are proportionately multiplied, for it is probable that three or four of the major parties will receive the great majority of votes with coalitions after the elections. In the last elections, in 1946, for example, when I served as head of the Allied Corps of Observers, the Populists received 165 parliamentary seats, the Sophoulis Liberals 57, Venizelos Liberals 32, Socialist Democratic 27, National Liberal 36, National Party of Greece 20, and all others 27. By a new law, the parliament to be elected will be cut to 250 from its present 364 members.

It is quite possible that with such widespread election interest all over the country many new men in the field of politics will be elected but that many of the present parliament will be returned. The fact that free elections can be held and are being so enthusiastically accepted by the people is a healthy sign that democracy continues full-fledged in Greece, and they should serve to dispel any doubts as to whether the love of freedom continues to rule Greek thought.

American Group Trained as Local Emissaries in Germany

The Department of State announced on February 2 that its Foreign Service Institute has inaugurated a special 3-month course to train a group of selected young Americans for county-level posts as "local emissaries" in Germany.

Twenty-seven men, all around 30 years of age, are taking this course. They have been chosen from a pool of Foreign Service candidates who have already passed rigid examinations for the Service, written, oral, and physical, in annual nation-wide competition.

Upon the completion of training, all officers will go to Germany for service under the Office of the United States High Commissioner, John J. McCloy, who conceived the idea of this specialized training course for his local aides. Each man will be stationed in a German *Kreis*, or county, where he will represent the American people and the High Commissioner in carrying on a program of active presentation of democratic ideas and proc-

esses. Approximately 80 *Kreis* officers already are actively engaged in this "grass roots" program in Germany.

In many cases, these men will work in communities far removed from American administrative centers in Germany, and will be the only Americans in their particular localities. With their wives and children, these young men, purposely chosen from the younger generation, will participate actively in German community life, developing friendly relationships and personalizing to their German neighbors the spirit of America.

Each "resident officer" must be able at the completion of training to speak the German language fluently and idiomatically in order to be able to reach a maximum effectiveness in communicating ideas. For that reason, the Foreign Service Institute course includes 4 hours a day of drill in conversational German. This training is given in accordance with the scientific methods of intensive language instruction used so successfully by the Armed Forces during the war.

The course includes concentrated study of German history, politics, and economics, with particular emphasis on understanding the cultural patterns, attitudes, and intellectual qualities of the German people. This preliminary training will be followed upon arrival in German local communities with careful study of the life of the inhabitants, in order that maximum understanding may be achieved.

The primary mission of each "resident officer" will be to work with German officials and other local leaders in an effort to encourage democratic processes and attitudes and to foster the development of responsible citizenship. Germans will not be asked to copy American institutions but to develop their own in accordance with accepted democratic values. Resident officers will describe and explain American institutions, and encourage free and open discussion of the American way of life, so that the Germans may be led to understand and adopt such American ways as may aid in the development of a democratic Germany.

In addition to being prepared for this specific program in Germany, the 27 men in the course are being oriented toward lifetime careers in the Foreign Service.

Several members of the Institute staff are participating in the operation of the course. Among them are Robert F. Hale, who is in charge of the Institute's School of Basic Officer Training; Dr. Henry Lee Smith, Jr., Director of the School of Language Training; and Edward A. Kennard, Professor of cultural anthropology. The Office of the High Commissioner for Germany has detailed to assist in the course William J. Moran, Deputy Director, Field Operations Division, Office of the Land Commissioner for Bavaria. A number of officials of the Department and of the High Commissioner's office will lecture to the trainees during the course.

Mutual Defense Assistance Agreement With Luxembourg¹

[Released to the press January 27]

The Governments of the United States of America and Luxembourg;

Being parties to the North Atlantic Treaty signed at Washington on April 4, 1949;

Conscious of their reciprocal pledges under Article 3 separately and jointly with the other parties, by means of continuous and effective self-help and mutual aid, to maintain and increase their individual and collective ability to resist armed attack;

Desiring to foster international peace and security, within the framework of the Charter of the United Nations through measures which will further the ability of nations dedicated to the purposes and principles of the Charter to participate effectively in arrangements for individual and collective self-defense in support of those purposes and principles;

Reaffirming their determination to give their full cooperation to the efforts to provide the United Nations with armed forces as contemplated by the Charter and to obtain agreement on universal regulation and reduction of armaments under adequate guarantee against violation;

Recognizing that the increased confidence of free peoples in their own ability to resist aggression will advance economic recovery;

Taking into consideration the support that the Government of the United States of America has brought to these principles by enacting the Mutual Defense Assistance Act of 1949 which provides for the furnishing of military assistance to nations which have joined with it in collective security arrangements;

Desiring to set forth the conditions which will govern the furnishing of military assistance by one contracting Government to the other under this Agreement;

Have agreed as follows:

Article I

1. Each Government, consistently with the principle that economic recovery is essential to international peace and security and must be given clear priority, will

¹ EDITOR'S NOTE: Agreements with Belgium, Denmark, France, and Italy appeared in the BULLETIN of February 6; the agreement with Netherlands will appear in the next issue.

make or continue to make available to the other and to such additional governments as the parties hereto may in each case agree upon, such equipment, materials, services, or other military assistance as the government furnishing such assistance may authorize and in accordance with such terms and conditions as may be agreed. The furnishing of any such assistance as may be authorized by either party hereto shall be consistent with the Charter of the United Nations and with the obligations under Article 3 of the North Atlantic Treaty. Such assistance shall be so designed as to promote an integrated defense of the North Atlantic area and to facilitate the development of, or be in accordance with, defense plans under Article 9 of the North Atlantic Treaty approved by each Government. Such assistance as may be made available by the United States of America pursuant to this Agreement will be furnished under the provisions, and subject to all of the terms, conditions and termination provisions, of the Mutual Defense Assistance Act of 1949, acts amendatory and supplementary thereto and appropriation acts thereunder. The two Governments will, from time to time, negotiate detailed arrangements necessary to carry out the provisions of this paragraph.

2. Each Government undertakes to make effective use of assistance received pursuant to paragraph 1 of this Article

(a) for the purpose of promoting an integrated defense of the North Atlantic Area, and for facilitating the development of defense plans under Article 9 of the North Atlantic Treaty, and

(b) in accordance with defense plans formulated by the North Atlantic Treaty Organization recommended by the North Atlantic Treaty Defense Committee and Council, and agreed to by the two Governments.

3. Neither Government, without the prior consent of the other, will devote assistance furnished to it by the other Government to purposes other than those for which it was furnished.

4. In the common security interest of both Governments, each Government undertakes not to transfer to any person not an officer or agent of such Government or to any other nation title to or possession of any equipment, materials, or services, received on a grant basis pursuant to paragraph 1, without the prior consent of the other Government.

Article II

In conformity with the principle of Mutual Aid, the Government of Luxembourg agrees to facilitate the production and transfer to the Government of the United States, for such period of time, in such quantities and upon such terms and conditions as may be agreed upon, of raw and semi-processed materials required by the United States as a result of deficiencies or potential deficiencies in its own resources, and which may be available in Luxembourg. Arrangements for such transfers shall give due regard to requirements for domestic use and commercial export of Luxembourg.

Article III

1. Each Government will take appropriate measures consistent with security to keep the public informed of operations under this Agreement.

2. Each Government will take such security measures as may be agreed in each case between the two Governments in order to prevent the disclosure or compromise of classified military articles, services or information furnished by the other Government pursuant to this Agreement.

Article IV

The two Governments will, upon request of either of them, negotiate appropriate arrangements between them respecting responsibility for patent or similar claims based on the use of devices, processes, technological information or other forms of property protected by law in connection with equipment, materials or services furnished pursuant to this Agreement or furnished in the interest of production undertaken by agreement of the two Governments in implementation of pledges of self-help and mutual aid contained in the North Atlantic Treaty. In such negotiations consideration shall be given to the inclusion of an undertaking whereby each Government will assume the responsibility for all such claims of its nationals and such claims arising in its jurisdiction of nationals of any country not a party to this Agreement.

Article V

1. The Government of Luxembourg, in conjunction with the Government of Belgium, undertakes to make available to the Government of the United States of America Luxembourg and Belgian francs for the use of the latter Government for its administrative expenditures within Luxembourg and Belgium in connection with carrying out this Agreement. The two Governments will forthwith initiate discussions with a view to determining the amount of such Luxembourg and Belgian francs and to agreeing upon arrangements for the furnishing of such Luxembourg and Belgian francs.

2. The Government of Luxembourg will, except as otherwise agreed to, grant duty-free treatment and exemption from internal taxation upon importation or exportation to products, property, materials or equipment imported into its territory in connection with this Agreement or any similar agreement between the United States of America and any other country receiving military assistance.

Article VI

Each Government agrees to receive personnel of the other Government who will discharge in its territory the responsibilities of the other Government under this Agreement and who will be accorded facilities to observe the progress of assistance furnished pursuant to this Agreement. Such personnel who are nationals of that other country, including personnel temporarily assigned, will, in their relations with the Government of the country to which they are assigned, operate as a part of the Legation under the direction and control of the Chief of the Diplomatic Mission of the Government of such country.

Article VII

1. The two Governments will, upon the request of either of them, consult regarding any matter relating to the application of this Agreement or to operations or arrangements carried out pursuant to this Agreement.

2. The terms of this Agreement shall at any time be reviewed at the request of either Government. Such review shall take into account, where appropriate, agreements concluded by either Government in connection with the carrying out of Article 9 of the North Atlantic Treaty.

3. This Agreement may be amended at any time by agreement between the two Governments.

Article VIII

1. This Agreement shall come into force when the Government of Luxembourg has notified the Government of the United States of America of ratification by Luxembourg. This Agreement will terminate one year after the receipt of notification by either party of the intention of the other to terminate it.

2. The Annexes to this Agreement form an integral part thereof.

3. This Agreement shall be registered with the Secretary General of the United Nations.

In witness whereof the representatives, duly authorized for the purpose, have signed this Agreement.

Done at Washington, in duplicate, in the English and French languages, both texts authentic, this 27th day of January, 1950.

HUGUES LE GALLAIS

[Luxembourg Ambassador to United States]

DEAN ACHESON

ANNEX A

In the course of discussions on the Mutual Defense Assistance Agreement, the following understandings were reached by the representatives of the Governments of the United States of America and Luxembourg:

1. For the purposes of Article I, paragraphs 2 and 3, fungible materials and minor items of equipment which, for all practical purposes, are fungible, shall be treated as such. Accordingly, in the case of such fungible materials or equipment, the requirements of Article I, paragraphs 2 and 3, will be satisfied if each Government devotes to the purposes of this Article either the particular items furnished or an equivalent quantity of similar and substitutable items.

2. Similarly, in the case of finished products manufactured by either Government with assistance furnished under this Agreement, the requirements of Article I, paragraphs 2 and 3, will be satisfied if the recipient Government devotes to the purposes of Article I, paragraphs 2 and 3, either such finished products or an equivalent quantity of similar and substitutable finished products.

3. Further, in the light of paragraphs 1 and 2 above, neither Government will refuse its consent under Article I, paragraph 4, to the transfer of a major item of indigenous equipment merely because there may have been incorporated into it as an identifiable component part a relatively small and unimportant item of assistance furnished under this Agreement by the other Government. The two Governments will forthwith discuss detailed arrangements for a practical procedure for granting consent in respect of the types of transfer referred to in this paragraph.

4. Each Government will nevertheless make all practicable efforts to use items of assistance for the purposes for which they may have been furnished by the other.

ANNEX B

In implementation of paragraph 1 of Article IV of the Mutual Defense Assistance Agreement, the Government of Luxembourg, in conjunction with the Government of Belgium, will deposit Luxembourg and Belgian francs at such times as requested in an account designated by the United States Legation at Luxembourg and the United States Embassy at Brussels, not to exceed in total 16,750,000 Luxembourg and Belgian francs for its use on behalf of the Government of the United States for administrative expenditures within Luxembourg and Belgium in connection with carrying out that Agreement for the period ending June 30, 1950.

ANNEX C

Provision is made in Article V, paragraph 1, of the Mutual Defense Assistance Agreement as follows:

"The Government of Luxembourg, in conjunction with the Government of Belgium, undertakes to make available to the Government of the United States of America Luxembourg and Belgian francs for the use of the latter Government for its administrative expenditures within Luxembourg and Belgium in connection with carrying out this Agreement. The two Governments will forthwith initiate discussions with a view to determining the amount of such Luxembourg and Belgian francs and to agreeing upon arrangements for the furnishing of such Luxembourg and Belgian francs."

In the course of discussions on the Agreement, representatives of the Government of the United States of America stated that in the event that the Government of Luxembourg shall in the future furnish grant assistance to the Government of the United States of America involving the delivery of materials and equipment to the United States, the Government of the United States of America, if so requested by the Government of Luxembourg and subject to legislative authorization, shall provide dollars for the use of the Government of Luxembourg for its administrative expenditures within the United

States in connection with the furnishing of such assistance. The representatives of the Government of the United States of America advised the representatives of the Government of Luxembourg that dollar expenditures in the United States which may be incurred as a result of the training of Luxembourg personnel in the United States under this Agreement can be met out of funds made available under the United States Mutual Defense Assistance Act of 1949.

ANNEX D

Provision is made in Article V, paragraph 2, of the Mutual Defense Assistance Agreement, as follows:

"The Government of Luxembourg will except as otherwise agreed to, grant duty-free treatment and exemption from internal taxation upon importation or exportation to products, property, materials or equipment imported into its territory in connection with this Agreement or any similar agreement between the United States of America and any other country receiving military assistance."

In the course of discussions on the Agreement, representatives of the Government of the United States of America stated that in the event that the Government of Luxembourg shall in the future furnish grant assistance to the Government of the United States of America, involving the delivery of materials and equipment to the United States, the Government of the United States of America, if so requested by the Government of Luxembourg, and subject to legislative authorization, will, except as otherwise agreed to, grant duty-free treatment and exemption from internal taxation upon importation or exportation to such materials and equipment imported into its territory in connection with this Agreement.

ANNEX E

In recognition of the fact that personnel who are nationals of one country, including personnel temporarily assigned, will in their relations with the Government of the country to which they are assigned, operate as a part of the Legation under the direction and control of the Chief of the Diplomatic Mission of the Government of such country, it is understood, in connection with Article VI of the Mutual Defense Assistance Agreement that the status of such personnel, considered as part of the Diplomatic Mission of such other Government, will be the same as the status of personnel of corresponding rank of that Diplomatic Mission who are nationals of that other country.

The personnel will be divided by the Government assigning such personnel into three categories:

(a) Upon appropriate notification of the other, full diplomatic status will be granted to the senior military member and the senior Army, Navy and Air Force officer assigned thereto, and to their respective immediate deputies.

(b) The second category of personnel will enjoy privileges and immunities conferred by international custom, as recognized by each Government, to certain categories of personnel of the Legation of the other, such as the immunity from civil and criminal jurisdiction of the host

country, immunity of official papers from search and seizure, right of free egress, exemption from customs duties or similar taxes or restrictions in respect of personally owned property imported into the host country by such personnel for their personal use and consumption, without prejudice to the existing regulations on foreign exchange, exemption from internal taxation by the host country upon salaries of such personnel. Privileges and courtesies incident to diplomatic status, such as diplomatic automobile license plates, inclusion on the "Diplomatic List", and social courtesies may be waived by both Governments for this category of personnel.

(c) The third category of personnel will receive the same status as the clerical personnel of the Diplomatic Mission.

It is understood between the two Governments that the number of personnel in the 3 categories above will be kept as low as possible.

The status as described above will be substituted by such status for appropriate officials and agents of the countries parties to the North Atlantic Treaty as may be agreed by those countries.

ANNEX F

The following provision has been included in the Mutual Defense Assistance Agreement:

Mutual Defense Assistance Agreement With Norway

[Released to the press January 27]

The Governments of the United States of America and Norway;

Being parties of the North Atlantic Treaty signed at Washington on April 4, 1949;

Conscious of their reciprocal pledges under Article 3 separately and jointly with the other parties, by means of continuous and effective self-help and mutual aid, to maintain and increase their individual and collective ability to resist armed attack;

Desiring to foster international peace and security, within the framework of the Charter of the United Nations through measures which will further the ability of nations dedicated to the purposes and principles of the Charter to participate effectively in arrangements for individual and collective self-defense in support of those purposes and principles;

Reaffirming their determination to give their full cooperation to the efforts to provide the United Nations with armed forces as contemplated by the Charter and to obtain agreement on universal regulation and reduction of armaments under adequate guarantee against violation;

Recognizing that the increased confidence of free peoples in their own ability to resist aggression will advance economic recovery;

Taking into consideration the support that the Govern-

"Each Government agrees to receive personnel of the other Government who will discharge in its territory the responsibilities of the other Government under this Agreement and who will be accorded facilities to observe the progress of assistance furnished pursuant to this Agreement."

In the course of discussions on the Agreement, representatives of the two Governments have stated on behalf of their respective Governments that the facilities to be so accorded shall be reasonable and not unduly burdensome upon the Government according such facilities.

ANNEX G

Whereas this Agreement, having been negotiated and concluded on the basis that the Government of the United States of America will extend to the other party thereto the benefits of any provision in a similar agreement concluded by the Government of the United States of America with any other country party to the North Atlantic Treaty, it is understood that the Government of the United States of America will interpose no objection to amending this Agreement in order that it may conform, in whole or in part, to any other similar agreement, or agreements amendatory or supplementary thereto, concluded with a party to the North Atlantic Treaty.

ment of the United States of America has brought to these principles by enacting the Mutual Defense Assistance Act of 1949 which provides for the furnishing of military assistance to nations which have joined with it in collective security arrangements;

Desiring to set forth the understandings which will govern the transfer of such assistance;

Have agreed as follows:

Article I

1. Each Government, consistently with the principle that economic recovery is essential to international peace and security and must be given clear priority, will make or continue to make available to the other, and to other governments, such equipment, materials, services, or other military assistance as the government furnishing such assistance may authorize and in accordance with such terms and conditions as may be agreed. The furnishing of any such assistance as may be authorized by either party hereto shall be consistent with the Charter of the United Nations and with the obligations under Article 3 of the North Atlantic Treaty. Such assistance shall be so designed as to promote an integrated defense of the North Atlantic area and to facilitate the development of, or be in accordance with, defense plans under Article 9 of

the North Atlantic Treaty approved by each Government. Such assistance as may be made available by the United States of America pursuant to this Agreement will be furnished under the provisions, and subject to all of the terms, conditions and termination provisions, of the Mutual Defense Assistance Act of 1949, acts amendatory and supplementary thereto and appropriation acts thereunder. The two Governments will, from time to time, negotiate detailed arrangements necessary to carry out the provisions of this paragraph.

2. Each Government undertakes to make effective use of assistance received pursuant to paragraph 1 of this Article

(a) for the purpose of promoting an integrated defense of the North Atlantic Area, and for facilitating the development of defense plans under Article 9 of the North Atlantic Treaty, and

(b) in accordance with defense plans formulated by the North Atlantic Treaty Organization recommended by the North Atlantic Treaty Defense Committee and Council, and agreed to by the two Governments.

3. Neither Government, without the prior consent of the other, will devote assistance furnished to it by the other Government to purposes other than those for which it was furnished.

4. In the common security interest of both Governments, each Government undertakes not to transfer to any person not an officer or agent of such Government or to any other nation title to or possession of any equipment, materials, or services, received on a grant basis pursuant to paragraph 1, without the prior consent of the other Government.

Article II

1. Each Government will take appropriate measures consistent with security to keep the public informed of operations under this Agreement.

2. Each Government will take such security measures as may be agreed in each case between the two Governments in order to prevent the disclosure or compromise of classified military articles, services or information furnished by the other Government pursuant to this Agreement.

Article III

The two Governments will, upon request of either of them, negotiate appropriate arrangements between them respecting responsibility for patent or similar claims based on the use of devices, processes, technological information or other forms of property protected by law in connection with equipment, materials or services furnished pursuant to this Agreement or furnished in the interest of production undertaken by agreement of the two Governments in implementation of pledges of self-help and mutual aid contained in the North Atlantic Treaty. In such negotiations consideration shall be given to the inclusion of an undertaking whereby each Government will assume the responsibility for all such claims of its nationals and such claims arising in its jurisdiction of nationals of any country not a party to this Agreement.

Article IV

1. The Government of Norway undertakes to make

available to the United States Embassy at Oslo Norwegian Kroner for its administrative expenditures within Norway in connection with carrying out this Agreement. The two Governments will forthwith initiate discussions with a view to determining the amount of such Kroner and to agreeing upon arrangements for the furnishing of such Kroner.

2. The Government of Norway will, except as otherwise agreed to, grant duty-free treatment and exemption from internal taxation upon importation or exportation to products, property, materials or equipment imported into its territory in connection with this Agreement or any similar agreement between the United States of America and any other country receiving military assistance.

Article V

1. The two Governments will, upon the request of either of them, consult regarding any matter relating to the application of this Agreement or to operations or arrangements carried out pursuant to this Agreement.

2. Each Government agrees to receive personnel of the other Government who will discharge in its territory the responsibilities of the other Government under this Agreement and who will be accorded facilities to observe the progress of assistance furnished pursuant to this Agreement. Such personnel who are nationals of that other country, including personnel temporarily assigned, will, in their relations with the Government of the country to which they are assigned, operate as a part of the Embassy under the direction and control of the Chief of the Diplomatic Mission of the Government of such country.

Article VI

1. This Agreement shall come into force when the Government of Norway has notified the Government of the United States of America of ratification by Norway. This Agreement will terminate one year after the receipt of notification by either party of the intention of the other to terminate it.

2. This Agreement may be amended at any time by agreement between the two Governments. The terms of this Agreement shall be subject to such modification, in the light of agreements concluded in connection with carrying out Article 9 of the North Atlantic Treaty, as may be agreed upon between the two Governments.

3. The Annexes to this Agreement form an integral part thereof.

4. This Agreement shall be registered with the Secretary General of the United Nations.

In witness whereof the respective representatives, duly authorized for the purpose, have signed this Agreement.

Done at Washington, in duplicate, in the English and Norwegian languages, both texts authentic, this 27th day of January, 1950.

WILHELM MORGENSTIERNE

[*Norwegian Ambassador to the United States*]

DEAN ACHESON

ANNEX A

In the course of discussions of the Mutual Defense Assistance Agreement, the following understandings were

reached by the representatives of the Governments of the United States of America and Norway:

1. For the purposes of Article I, paragraphs 2 and 3, fungible materials and minor items of equipment which, for all practical purposes, are fungible, shall be treated as such. Accordingly, in the case of such fungible materials or equipment, the requirements of Article I, paragraphs 2 and 3, will be satisfied if each Government devotes to the purposes of this Article either the particular items furnished or an equivalent quantity of similar and substitutable items.

2. Similarly, in the case of finished products manufactured by either Government with assistance furnished under this Agreement, the requirements of Article I, paragraphs 2 and 3, will be satisfied if the recipient Government devotes to the purposes of Article I, paragraphs 2 and 3, either such finished products or an equivalent quantity of similar and substitutable finished products.

3. Further, in the light of Paragraphs 1 and 2 above, neither Government will refuse its consent under Article I, paragraph 4, to the transfer of a major item of indigenous equipment merely because there may have been incorporated into it as an identifiable component part a relatively small and unimportant item of assistance furnished under this Agreement by the other Government. The two Governments will forthwith discuss detailed arrangements for a practical procedure for granting consent in respect of the types of transfer referred to in this paragraph.

4. Each Government will nevertheless make all practicable efforts to use items of assistance for the purposes for which they may have been furnished by the other.

ANNEX B

In connection with the Mutual Defense Assistance Agreement between the Governments of the United States of America and Norway, and based upon the principle of mutual aid enunciated in that Agreement, the two Governments agree as follows:

In the event of the cessation of the effectiveness of Article V of the Economic Cooperation Agreement between the Government of the United States of America and the Government of Norway signed on July 3, 1948 at Oslo prior to the cessation of the Agreement between the two Governments under the United States Mutual Defense Assistance Act, the Government of Norway will, for so long as the agreement between the two Governments under the Mutual Defense Assistance Act remains in effect, facilitate the production and transfer to the Government of the United States of America, for such period of time, in such quantities and upon such terms and conditions as may be agreed upon, of raw and semi-processed materials required by the United States as a result of deficiencies or potential deficiencies in its own resources, and which may be available in Norway or dependent territories under its administration. Arrangements for such transfers shall give due regard to reasonable requirements for domestic use and commercial export of Norway. All applicable annexes to Article V of the Economic Cooperation Agreement shall apply to this Agreement.

ANNEX C

In implementation of paragraph 1 of Article IV of the Mutual Defense Assistance Agreement between the Governments of the United States of America and Norway, the Government of Norway will deposit Norwegian Kroner at such times as requested in an account designated by the United States Embassy at Oslo, not to exceed in total 2,140,000 Kroner for its use on behalf of the Government of the United States of America for administrative expenditures within Norway in connection with carrying out that Agreement for the period ending June 30, 1950.

ANNEX D

In recognition of the fact that personnel who are nationals of one country, including personnel temporarily assigned, will in their relations with the Government of the country to which they are assigned, operate as a part of the Embassy under the direction and control of the Chief of the Diplomatic Mission of the Government of such country, it is understood, in connection with Article V, paragraph 2, of the Mutual Defense Assistance Agreement, that the status of such personnel, considered as part of the Diplomatic Mission of such other Government, will be the same as the status of personnel of corresponding rank of that Diplomatic Mission who are nationals of that other country.

The personnel will be divided by the Government assigning such personnel into 3 categories:

(a) Upon appropriate notification of the other, full diplomatic status will be granted to the senior military member and the senior Army, Navy and Air Force officer assigned thereto, and to their respective immediate deputies.

(b) The second category of personnel will enjoy privileges and immunities conferred by international custom, as recognized by each Government, to certain categories of personnel of the Embassy of the other, such as the immunity from civil and criminal jurisdiction of the host country, immunity of official papers from search and seizure, right of free egress, exemption from customs duties or similar taxes or restrictions in respect of personally owned property imported into the host country by such personnel for their personal use and consumption, without prejudice to the existing regulations on foreign exchange, exemption from internal taxation by the host country upon salaries of such personnel. Privileges and courtesies incident to diplomatic status such as diplomatic automobile license plates, inclusion on the "Diplomatic List", and social courtesies may be waived by both Governments for this category of personnel.

(c) The third category of personnel will receive the same status as the clerical personnel of the Diplomatic Mission.

It is understood between the two Governments that the number of personnel in the 3 categories above will be kept as low as possible.

The status as described above will be substituted by such status for appropriate officials and agents of the countries parties to the North Atlantic Treaty as may be agreed by those countries.

ANNEX E

Whereas this Agreement, having been negotiated and concluded on the basis that the Government of the United States of America will extend to the other party thereto the benefits of any provision in a similar agreement concluded by the Government of the United States of America with any other country party to the North Atlantic Treaty,

it is understood that the Government of the United States of America will interpose no objection to amending this Agreement in order that it may conform, in whole or in part, to any other similar agreement, or agreements amendatory or supplementary thereto, concluded with a party to the North Atlantic Treaty.

Mutual Defense Assistance Agreement With the United Kingdom of Great Britain and Northern Ireland

[Released to the press January 27]

The Governments of the United States of America and the United Kingdom of Great Britain and Northern Ireland;

Being parties to the North Atlantic Treaty signed at Washington on April 4, 1949;

Considering their reciprocal pledges under Article 3 of the North Atlantic Treaty separately and jointly with the other parties, by means of continuous and effective self-help and mutual aid, to maintain and develop their individual and collective capacity to resist armed attack;

Desiring to foster international peace and security, within the framework of the Charter of the United Nations through measures which will further the ability of nations dedicated to the purposes and principles of the Charter to participate effectively in arrangements for individual and collective self-defense in support of those purposes and principles;

Reaffirming their determination to give their full cooperation to the efforts to provide the United Nations with armed forces as contemplated by the Charter and to obtain agreement on universal regulation and reduction of armaments under adequate guarantee against violation;

Recognizing that the increased confidence of free peoples in their own ability to resist aggression will advance economic recovery;

Taking into consideration the support that has been brought to these principles by the Government of the United Kingdom in affording military assistance to other parties of the North Atlantic Treaty and by the Government of the United States of America in enacting the Mutual Defense Assistance Act of 1949 which provides for the furnishing of military assistance to nations which have joined with it in collective security arrangements;

Desiring to set forth the conditions which will govern the furnishing of military assistance by one contracting Government to the other under this Agreement;

Have agreed as follows:

Article I

1. Each contracting Government, consistently with the principle that economic recovery is essential to international peace and security and must be given clear prior-

ity, and in accordance with its obligations under Article 3 of the North Atlantic Treaty, will make available to the other such equipment, materials, services, or other military assistance as the contracting Government furnishing such assistance may authorize, in accordance with detailed arrangements from time to time to be made between them. The Government of the United Kingdom in fulfillment of its obligations under Article 3 of the North Atlantic Treaty will furnish or continue to furnish to other parties to the North Atlantic Treaty such equipment, materials, services, or other military assistance as it may authorize. The furnishing of assistance by the Government of the United States of America under this Agreement will be under the provisions, and subject to all the terms, conditions, and termination provisions of the Mutual Defense Assistance Act of 1949, acts amendatory and supplementary thereto and appropriation acts thereunder.

2. Such assistance shall be so designed as to promote the integrated defense of the North Atlantic area and to facilitate the development of, or be in accordance with, defense plans under Article 9 of the North Atlantic Treaty approved by each contracting Government.

Article II

1. Each contracting Government undertakes to make effective use of assistance received pursuant to Article I of this Agreement

(a) for the purpose of promoting an integrated defense of the North Atlantic Area, and for facilitating the development of defense plans under Article 9 of the North Atlantic Treaty; and

(b) in accordance with defense plans formulated by the North Atlantic Treaty Organization, recommended by the North Atlantic Treaty Council and Defense Committee, and agreed to by the two contracting Governments.

2. Neither contracting Government, without the prior consent of the other, will devote assistance furnished to it by the other contracting Government to purposes other than those for which it was furnished.

Article III

In the common security interest of both contracting Governments, each contracting Government undertakes not

to transfer to any person not an officer or agent of such contracting Government, or to any other nation, title to or possession of any equipment, materials, or services, furnished on a grant basis, without the prior consent of the contracting Government furnishing such equipment, materials, or services.

Article IV

The provisions of Article V of the Economic Cooperation Agreement signed at London on July 6, 1948, shall be regarded as an integral part of this Agreement.

Article V

1. Each contracting Government will take such security measures as may be agreed in each case between the two contracting Governments in order to prevent the disclosure or compromise of any classified military articles, services, or information furnished by the other contracting Government pursuant to this Agreement.

2. Each contracting Government will take appropriate measures consistent with security to keep the public informed of activities under this Agreement.

Article VI

1. The two contracting Governments will negotiate appropriate arrangements between them respecting responsibility for claims for the use or infringement of inventions covered by patents or patent applications, trademarks, or copyrights, or other similar claims arising from the use of devices, processes, or technological information in connection with equipment, materials, or services furnished pursuant to this Agreement, or furnished in the interests of production undertaken by agreement between the two contracting Governments in implementation of the pledges of self-help and mutual aid contained in the North Atlantic Treaty.

Article VII

1. Subject to the provision of the necessary appropriations, the Government of the United Kingdom will make available to the Government of the United States of America sterling for the use of the latter Government for its administrative expenditures within the United Kingdom in connection with assistance furnished by the Government of the United States of America to the Government of the United Kingdom under this Agreement.

2. The two contracting Governments will initiate forthwith discussions with a view to determining the amount of such sterling and agreeing upon arrangements for the furnishing of such sterling.

Article VIII

1. Except as otherwise agreed, the Government of the United Kingdom will grant exemption from customs duties and other taxes on importation and also from taxes on exportation, in respect of goods owned by the Government of the United States of America and imported by it into the United Kingdom as assistance under this Agreement or as assistance under any similar agreement between the United States of America and any other party to the North Atlantic Treaty.

2. Goods imported under this exemption may not be disposed of by way either of sale or gift in the country

into which they have been imported, except to a Government party to the North Atlantic Treaty or under conditions agreed with the Government of the country into which they have been imported.

Article IX

1. Each contracting Government agrees to receive personnel of the other contracting Government who will discharge in its territories the responsibilities of the latter Government under this Agreement and will be accorded facilities to observe the progress of assistance furnished in pursuance of this Agreement.

2. Such personnel will, in their relations to the Government of the country to which they are assigned, operate as part of the Embassy under the direction and control of the Chief of the Diplomatic Mission of the Government which they are serving.

3. The Government of the United Kingdom will, upon appropriate notification from the Ambassador of the United States of America in the United Kingdom, consider such personnel as part of the Embassy of the United States of America in the United Kingdom for the purpose of enjoying the privileges and immunities accorded to that Embassy and its personnel of comparable rank.

Article X

The furnishing of any assistance under this Agreement shall be consistent with the obligations of the two contracting Governments under the Charter of the United Nations and under Article 3 of the North Atlantic Treaty.

Article XI

1. The two contracting Governments will, upon the request of either of them, consult regarding any matter relating to the application of this Agreement or to operations or arrangements carried out pursuant to this Agreement.

2. The terms of this Agreement shall at any time be reviewed at the request of either contracting Government. Such review shall take into account, where appropriate, agreements concluded by either contracting Government in connection with the carrying out of Article 9 of the North Atlantic Treaty.

3. This Agreement may be amended at any time by agreement between the two contracting Governments.

Article XII

1. This Agreement shall enter into force on notification to the Government of the United States of America by the Government of the United Kingdom of its acceptance thereof.

2. This Agreement will terminate one year after the receipt of notification by either contracting Government of the intention of the other to terminate it.

3. The Annexes to this Agreement form an integral part thereof.

In witness whereof the respective representatives, duly authorized for the purpose, have signed the present Agreement.

Done at Washington, in duplicate, this twenty-seventh day of January, 1950.

OLIVER FRANKS

[*British Ambassador to the United States*]

DEAN ACHESON

ANNEX A

During the course of negotiations, representatives of the two contracting Governments have stated their understanding that either contracting Government shall be free at any time to suspend or terminate the furnishing of assistance under Article I of the Mutual Defense Assistance Agreement.

ANNEX B

In the course of discussions of the Mutual Defense Assistance Agreement under the United States Mutual Defense Assistance Act of 1949, the following understandings were reached by the representatives of the Governments of the United States of America and the United Kingdom:

1. For the purposes of Article II, fungible materials and minor items of equipment which, are for all practical purposes fungible, shall be treated as such. Accordingly, in the case of such fungible materials or equipment, the requirements of Article II will be satisfied if each contracting Government devotes to the purposes of this Article either the particular items furnished or an equivalent quantity of similar and substitutable items.

2. Similarly, in the case of finished products manufactured by either contracting Government with assistance furnished under this Agreement, the requirements of Article II will be satisfied if the recipient Government devotes to the purposes of Article II either such finished products or an equivalent quantity of similar and substitutable finished products.

3. Further, in the light of paragraphs 1 and 2 above, neither contracting Government will refuse its consent under Article III to the transfer of a major item of indigenous equipment merely because there may have been incorporated into it as an identifiable component part a relatively small and unimportant item of assistance furnished under this Agreement by the other contracting Government. The two contracting Governments will forthwith discuss detailed arrangements for a practical procedure for granting consent in respect of the types of transfer referred to in this paragraph.

4. Each contracting Government will nevertheless make all practicable efforts to use items of assistance for the purposes for which they may have been furnished by the other.

ANNEX C

It is understood that for the purpose of furthering the mutual defense of the two countries the obligations undertaken by the Government of the United Kingdom by virtue of Article IV of the Mutual Defense Assistance Agreement will continue to apply to the United Kingdom of Great Britain and Northern Ireland after the termination of the Economic Cooperation Agreement. The Government of the United Kingdom intends to consult the Governments of the territories to which the Economic Cooperation Agreement has been or may be extended under Article XII of that Agreement with a view to securing their consent to the continued extension to those territories of the provisions of Article V of the Economic Cooperation Agreement, so long as those provisions remain an integral part of the Mutual Defense Assistance Agreement.

ANNEX D

During the course of the negotiations of the Mutual Defense Assistance Agreement, the representatives of the two contracting Governments have reached the understanding that the following points will be considered in the negotiations provided for in Article VI:

(a) The inclusion of an undertaking whereby each contracting Government would assume the responsibility for all the patent or similar claims of its nationals referred to in Article VI of the said Agreement and for such claims arising in its jurisdiction of nationals of any country not a party to this Agreement.

(b) The terms on which inventions would be communicated to contractors with a view to protecting the commercial rights of inventors.

(c) Rights in improvements or other modifications of patented inventions.

(d) Arrangements for the protection of secret processes and secret technological information, as distinct from patented and patentable inventions.

(e) The system for disclosing the users and the extent of the use of the patents, trade secrets and copyrights referred to in Article VI.

ANNEX E

Provision is made in Article VII, paragraph 1, of the Mutual Defense Assistance Agreement as follows:

"Subject to the provision of the necessary appropriations, the Government of the United Kingdom will make available to the Government of the United States of America sterling for the use of the latter Government for its administrative expenditures within the United Kingdom in connection with assistance furnished by the Government of the United States of America to the Government of the United Kingdom under this Agreement."

In the course of discussions on the Agreement, representatives of the Government of the United States of America stated that in the event that the Government of the United Kingdom shall in the future furnish grant assistance to the Government of the United States of America, involving the delivery of materials and equipment to the United States, the Government of the United States of America, if so requested by the Government of the United Kingdom, and subject to legislative authorization, shall provide dollars for the use of the Government of the United Kingdom for its administrative expenditures within the United States in connection with the furnishing of such assistance. The representatives of the Government of the United States of America advised the representatives of the Government of the United Kingdom that dollar expenditures in the United States which may be incurred as a result of the training of British personnel in the United States under this Agreement can be met out of funds made available under the United States Mutual Defense Assistance Act of 1949.

ANNEX F

In implementation of paragraph 1 of Article VII of the Mutual Defense Assistance Agreement between the Governments of the United States of America and of the

United Kingdom, the Government of the United Kingdom will deposit sterling at such times as requested in an account designated by the United States Embassy at London, not to exceed in total £53,500 for its use on behalf of the Government of the United States for administrative expenditures within the United Kingdom in connection with carrying out that Agreement for the period ending June 30, 1950.

ANNEX G

Provision is made in Article VIII, paragraph 1, of the Mutual Defense Assistance Agreement, as follows:

"Except as otherwise agreed, the Government of the United Kingdom will grant exemption from customs duties and other taxes on importation and also from taxes on exportation, in respect of goods owned by the Government of the United States of America and imported by it into the United Kingdom as assistance under this Agreement or as assistance under any similar agreement between the United States of America and any other party to the North Atlantic Treaty."

In the course of discussions on the Agreement, representatives of the Government of the United States of America stated that in the event that the Government of the United Kingdom shall in the future furnish grant assistance to the Government of the United States of America, involving the delivery of materials and equipment to the United States, the Government of the United States of America, if so requested by the Government of the United Kingdom, and subject to legislative authorization, will, except as otherwise agreed to, grant duty-free treatment and exemption from internal taxation upon importation or exportation to such materials and equipment imported into its territory in connection with this Agreement.

ANNEX H

With respect to Article VIII, paragraph 1, of the Mutual Defense Assistance Agreement, the representatives of the United Kingdom stated that arrangements would be made wherever possible within the framework of existing United Kingdom legislation to exempt items of assistance, imported by the Government of the United Kingdom into the United Kingdom as assistance under the Agreement, from customs duties and other taxes on importation.

ANNEX I

Provision is made in Article IX, paragraph 1, of the Mutual Defense Assistance Agreement, as follows:

"Each contracting Government agrees to receive personnel of the other contracting Government who will discharge in its territories responsibilities of the latter Government under this Agreement and will be accorded facilities to observe the progress of the assistance furnished in pursuance of this Agreement."

In the course of discussions on the Agreement, representatives of the two Governments have stated on be-

half of their respective Governments that the facilities to be so accorded shall be reasonable and not unduly burdensome upon the Government according such facilities.

ANNEX J

It is understood that the Government of the United States of America in making the notifications referred to in Article IX, paragraph 3, of the Mutual Defense Assistance Agreement, would bear in mind the desirability of restricting, so far as practicable, the number of officials for whom full diplomatic privileges would be requested. It is also understood that the detailed application of Article XI, paragraph 3, would, when necessary, be the subject of intergovernmental discussion.

ANNEX K

Whereas this Agreement, having been negotiated and concluded on the basis that the Government of the United States of America will extend to the other party thereto the benefits of any provision in a similar agreement concluded by the Government of the United States of America with any other country party to the North Atlantic Treaty, it is understood that the Government of the United States of America will interpose no objection to amending this Agreement in order that it may conform, in whole or in part, to any other similar agreement, or agreements amendatory or supplementary thereto, concluded with a party to the North Atlantic Treaty.

PUBLICATIONS

Recent Releases

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

Air Transport Services. Treaties and Other International Acts Series 1932. Pub. 3565. 42 pp. 15¢.

Agreement between the United States and Panama—Signed at Panama March 31, 1949; entered into force April 14, 1949, and agreements effected by exchange of notes—Signed at Panama March 31, 1949; entered into force April 14, 1949.

Maritime Claims and Litigation. Treaties and Other International Acts Series 1935. Pub. 3568. 9 pp. 5¢.

Agreement between the United States and France—Signed at Washington March 14, 1949; entered into force March 14, 1949.

United States Educational Foundation in the Netherlands. Treaties and Other International Acts Series 1946. Pub. 3587. 26 pp. 10¢.

Agreement and exchange of notes between the United States and the Netherlands—Signed at The Hague May 17, 1949; entered into force May 17, 1949.

(Continued on page 263)

Extension of Selective Service Legislation Recommended

Statement by Secretary Acheson¹

MR. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE:

In his January 5 message on the State of the Union, the President pointed out to the Congress the need for extending the Selective Service Act of June 24, 1948, which is scheduled to terminate on June 24, 1950, unless the Congress acts to prolong it.

While the question of the effect of the termination of Selective Service on our National Military Establishment and on our own security requirements falls primarily within the scope of the Department of Defense and has been covered in the hearings of this Committee during the past few days, this question is also directly related to our foreign policy. It is for this reason that I am glad to have the opportunity to appear before you today and to recommend extension of Selective Service legislation.

The fundamental objective of American foreign policy is the maintenance of world peace. We have constantly worked within the framework of the United Nations to help develop adequate means of insuring international peace and security. That that peace is not yet more secure is no fault of the United Nations organization or of the United States, but is traced directly to the record of obstructionism and intransigence of the U.S.S.R., a record with which all of you are completely familiar.

It is therefore necessary in our efforts to maintain world peace that we strengthen both the determination and the ability of the free world successfully to resist aggression. For weakness invites aggression—direct or indirect—and to remain free the nations of the free world must be strong, both economically and in terms of their defensive capabilities. It is to this end that our foreign policy has included such integrated measures as the European Recovery Program, the North

Atlantic Treaty, and the Mutual Defense Assistance Program.

It is a basic truth that economic recovery cannot occur where weakness and fear predominate. The removal of this weakness and fear has been an aim of the United States foreign policy, and the success of our efforts can be measured by the encouraging progress in recovery which the free nations of Europe have made during the last 2 years.

The Congress and the American people by their support of these measures have given hope to the peoples of Europe—hope that our assistance coupled with their own effort will result in their economic health and defensive strength being restored to the point that they do not face the prospect of invasion and slavery should aggression occur. This hope results from the international leadership and responsibilities which we have assumed.

When this very piece of legislation which we are now discussing was enacted on June 24, 1948, it was greeted by the free world as evidence of our determination to remain strong. And the free countries of Europe and elsewhere believe that in our remaining strong and determined to resist aggression lies the greatest hope for the maintenance of world peace and their own preservation.

While I realize that for some months it has not been necessary to use the Selective Service Act as the basis for meeting the manpower requirements of our armed forces, I nonetheless believe that failure to extend the act might be widely interpreted abroad as a relaxation of our determination to remain strong as the principal defender of the peace against aggression from any power. It would appear inconsistent both with the responsibility which we assumed under the North Atlantic Treaty and with our efforts to encourage the other members of the Treaty to increase their individual and collective strength to resist aggression.

It is for the above reasons that I strongly recommend the extension of Selective Service legislation in support of United States foreign policy.

¹ Made before the Armed Services Committee of the House of Representatives on Jan. 25, and released to the press on the same date.

North American Regional Broadcasting Problems

by Marie Louise Smith

Concerted efforts will be resumed on April 1 to conclude a new agreement to govern the use of the standard broadcasting band in the North American region. After almost 3 months of work, the third North American Regional Broadcasting Conference, which convened in Montreal on September 13, recessed on December 8 after it became obvious that an agreement mutually acceptable to the United States and Cuba could not be reached. Rather than hold other delegations at the Conference while the United States and Cuba sought to resolve their differences on a number of problems relating to station assignments, the meeting adjourned, thus allowing an interval for bilateral discussions between the two governments. The talks with Cuba have now been scheduled for February 1 at Habana. When the Conference reconvenes in April the slate should be clean for reaching an agreement acceptable to all countries in the region.

The North American broadcast region includes the United States, Canada, Cuba, Mexico, the Bahamas, the Dominican Republic, and Haiti. Because of the proximity of the North American countries, a binding agreement is essential in order to mitigate as much as possible the unavoidable interference that results from simultaneous operation of stations on the same or adjacent frequencies. The United States has a very important stake in the successful conclusion of such an agreement. We have by far the most highly developed and complex radio broadcasting system, and our central location makes our broadcasting stations susceptible to serious interference from all sides.

However, some areas in the United States do not receive adequate broadcasting service—for in-

stance the sparsely populated areas in the southwest and far west where it has proved uneconomic to erect very many large transmitting stations and, accordingly, powerful stations located in the large metropolitan districts serve those areas. Studies show that the coverage from our standard broadcasting stations is substantially comparable to that received in Canada and Mexico from the stations of those countries but nowhere has the United States as many stations in operation as for instance Cuba has in Habana.

In the North American region, the radio channels in the standard band are used essentially in conformity with the allocations contained in the North American Regional Broadcasting Agreement of Habana—in force from March 1941 until March 1946—and the Interim Agreement, which became effective in March 1946 and expired in March 1949.¹ With the exception of Cuba, the members of the region would have been willing to continue the 1946 interim agreement in effect until a new convention could be negotiated. The Cuban Government felt, however, that its needs were not adequately provided for in either the Habana Agreement or in the subsequent Interim Agreement.

Some of the obstacles to the successful conclusion of an agreement at Montreal had been anticipated and are quite understandable.² Cuba has for some time expressed dissatisfaction with the existing Interim Agreement because the portion of the standard broadcast band allocated to it under

¹ For the decision of the second NARBA conference to continue the Habana agreement on an interim basis, see address by Francis Colt deWolf in *BULLETIN* of Mar. 10, 1946, p. 379.

the earlier agreements was inadequate and that additional assignments would be required in order to meet its national needs. Only after the United States made substantial concessions did Cuba accept the Interim Agreement. That country now claims that it needs a far greater number of channels; unfortunately Cuba had insisted upon the use of channels which had been previously allocated to the United States for service in this country. The Cuban terms, if acceded to, would have necessitated considerable rearrangement of United States station assignments in order to afford the protection necessary to obviate interference and would also disrupt the service of certain American broadcasting stations, some of which have been operating on their present frequency assignments for years. Obviously, an agreement incorporating such proposals would be bound to provoke a storm of protests from United States stations affected, and such protests in turn would make highly problematical the United States Senate's consent and approval for ratification.

Although Mexico signed the Habana agreement of 1937, the Mexican government was reluctant to ratify it because some of the authorities felt it contained inadequate provision for Mexican broadcasting needs. Since the agreement could not come into force before it had been ratified by the United States, Canada, Cuba, and Mexico, the United States was most anxious to obtain Mexican acceptance.

Accordingly, as an incentive to secure Mexico's ratification, the United States entered into a gentlemen's agreement with Mexico in 1940 under which each country agreed to protect certain fre-

quencies in use by the other. In actual substance, the United States, then, refrained from using certain specified broadcasting channels at night to permit their use by Mexico for services to Mexican audiences in the United States. This arrangement represented a special concession by the United States to accommodate Mexican needs.

We had planned to discuss the discontinuance of this separate agreement at the Montreal meeting in order to have all allocations provided for in the basic regional agreement. We had planned also to discuss the use of the 540 kc. channel (535-545 kc.), which is not yet formally a part of the standard broadcasting band. The Fourth Inter-American Radio Conference (FIAR), which met in Washington last summer, decided that this frequency might be used for standard broadcasting purposes providing it does not cause harmful interference to services operating in adjacent bands or to the international distress frequencies.³

Unfortunately, Mexico was unable to attend the Montreal meeting and sent an observer during the latter portion of the session.⁴ Mexico's nonparticipation was generally regretted in view of the importance of an over-all agreement which would take full account of the needs of every member of the region. It is hoped that Mexico will be able to participate actively in the April session where efforts will be continued to prepare a new agreement.

Until a new convention can be agreed upon, the regulation of standard band broadcasting in the North American region is dependent upon informal assurances that a majority of the regional members will continue to abide by the spirit of the Interim Agreement. Since some complaints of interference have already been made, it is important that an agreement to protect the broadcasting of each country be concluded as quickly as possible.

³ For an article on Western Hemisphere participation in international telecommunication activities, see BULLETIN of Aug. 22, 1949, p. 258.

⁴ Mexico had proposed continuation of the 1946 *modus vivendi* until Mar. 28, 1953.

⁵ In accordance with a decision of the 1946 conference, the regional governments circulated more complete proposals and specific questions concerning suppression of interference and service-expansion problems which were then discussed at the meeting of Technicians on the North American Regional Broadcasting Agreement, at Habana on Nov. 1, 1947. This meeting brought to light many technical problems affecting broadcasting in the participating countries and provided for an exchange of views concerning the difficulties of satisfying the requirements of each member of the region. For an article on the meeting, see BULLETIN of Apr. 25, 1948, p. 541.

U.S. Participation in U.N. Relief Agency for Near East Asked

Message of the President to the Congress

[Released to the press by the White House January 30]

The President today sent identical letters as follows to Alben W. Barkley, President of the Senate of the United States, and Sam Rayburn, Speaker of the House of Representatives:

I am transmitting herewith for the consideration of the Congress a draft of proposed legislation to enable the United States to participate in and contribute to the United Nations Relief and Works Agency for Palestine Refugees in the Near East. This Agency has been established by the General Assembly of the United Nations to deal with the problems created by the displacement of hundreds of thousands of persons as a result of the recent hostilities in Palestine.

The work of the Agency will be to carry out the recommendations of the Economic Survey Mission for the Middle East, appointed by the United Nations. This Survey Mission, under the Chairmanship of Gordon Clapp, was directed by the United Nations to study the economic dislocation created by the conflict in Palestine and to recommend measures to reintegrate the Palestine refugees into the economic life of the area. Its recommendations are an example of the kind of development and planning which is essential to the economic growth and improvement of underdeveloped areas. The Mission, in this survey, has taken into account the human and natural resources of the region in which these refugees find themselves, and has recommended a program of economic activity which will be of lasting benefit to these areas and to the standard of living of peoples who live there.

Our aid is needed to put this program into effect and to help the Refugees and the inhabitants of these areas in the Middle East to achieve greater productivity through the steps recommended in the report of the Mission.

In my inaugural address, I stressed the importance, in the interests of our foreign policy, of economic development of underdeveloped areas.

In such a case as this, where relief for refugees is essential, it is advantageous to combine the relief program, with the beginnings of longer range economic development.

Point 4 legislation and legislation for the United Nations Relief and Works Agency for Palestine Refugees are complementary. There is no overlapping in the request for funds for the two programs.

The immediate reason for the establishment by the United Nations of the Economic Survey Mission to the Middle East was the hope that through an economic approach it might be possible to facilitate a peace settlement between Israel and the neighboring Arab states. The problems of Palestine and her neighbors are complicated by the continuing plight of over three-quarters of a million persons who left their homes during the conflict in Palestine, and are now refugees in the neighboring lands. Homeless and without work, these people cannot care for themselves. The nations now giving them asylum are themselves unable to care for them. For some time to come they will remain dependent on others for their support.

In response to an appeal from the General Assembly of the United Nations for relief funds, made in December 1948, I recommended to the Congress that the United States should bear up to one-half of the cost of a relief program which was estimated to cost \$32 million for a nine month period. The Congress appropriated \$16 million for this purpose. Our contribution has been more than equalled by the contributions of 32 other countries. The fund thus raised has been stretched to its limits and is now exhausted.

The United Nations Economic Survey Mission has recommended a combined relief and public works program, and has estimated the cost of this program at \$54,900,000 for an eighteen-month period beginning January 1, 1950.

This program is significant in its practical ap-

proach to our objectives of economic development in underdeveloped areas. The areas in question have unrealized economic potentialities but require technical assistance from abroad to assure their development. The projects proposed will be complete in themselves, representing intensive development in small areas, and have been so selected that they can be brought to completion by the middle of 1951. They will result in lasting economic benefits.

In illustrating what can be done with limited resources of soil and water by the application of modern engineering and agricultural techniques, these projects should point the way to further development not only in the countries where they are carried out, but in neighboring countries as well. The successful completion of this program should go far in furthering conditions of political and economic stability in the Near East. At the same time the proposed program, while costing little more than direct relief, looks to the end of the direct relief program of the United Nations in the Near East, and to ultimate solution of the refugee problem.

I believe that it is appropriate that the United States should continue to bear one-half the cost of this program. I, therefore, recommend that the Congress authorize and appropriate \$27,450,000 for an eighteen-month period. I trust that other nations which have contributed to the program in the past will be equally generous in the future.

The importance of a substantial United States contribution to this program is very real. Not only is it consistent with the humanitarian spirit of the American people; it is also in our national interest to help maintain peaceful and stable conditions in the Near East.

It is with these considerations in mind that I recommend to the Congress the early enactment of legislation to enable the United States to take its part in this program of the United Nations.

Frederick H. Osborn Resigns as U.S. Representative on U.N. Atomic Energy Commission

[Released to the press January 23]

The President announced today the resignation of Frederick H. Osborn, Deputy United States representative on the United Nations Atomic Energy Commission, to be effective January 31, 1950. In his letter to the President, dated January 10, 1950, Mr. Osborn stated that his resignation was due to the pressure of other duties.

The President, in accepting the resignation, expressed pleasure at being informed by the Depart-

ment of State that it will be possible for Mr. Osborn to continue in an advisory capacity and that his valuable knowledge, background, and experience will not be lost to the Government.

The President also commended Mr. Osborn for his valuable contribution to the Commission and for his sincere efforts in trying to effect agreement on problems arising within the Commission. Mr. Osborn has served as Deputy United States representative on the United Nations Atomic Energy Commission since March 12, 1947.

Pending the appointment of a new deputy representative, the President has appointed John C. Ross, Deputy United States representative in the Security Council, to serve consecutively as Acting Deputy United States representative on the United Nations Atomic Energy Commission.

U. S. Delegation: Vocational Training of Adults (ILO)

The Department of State announced on January 23 the following United States delegation to the forthcoming Preparatory Technical Tripartite Conference on vocational training of adults of the International Labor Organization scheduled to be held at Geneva, Switzerland, January 23 to February 3, 1950:

GOVERNMENT REPRESENTATIVES

Delegates

Ansel R. Cleary, assistant director, Bureau of Apprenticeship, Department of Labor
Alvin J. Roseman, United States representative for specialized agency affairs at Geneva

Observer

Arthur Sanford, president, Arthur Sanford Company, Sioux City, Iowa

EMPLOYERS REPRESENTATIVES

Delegate

Channing R. Dooley, president, Training Within Industry Foundation, Summit, New Jersey

WORKERS REPRESENTATIVES

Delegate

Frank Jacobs, vice president, International Brotherhood of Electrical Workers, St. Louis, Missouri

This Conference was called by the 107th session of the Governing Body of the International Labor Organization (ILO), held at Geneva in December 1948, to provide an opportunity for representatives of the various countries to consider draft international regulations embodying principles and methods for the successful operation of vocational training programs for adult workers, including disabled persons. The conclusions reached by this Conference will be submitted to the International Labor Conference at its 33d session opening in Geneva on June 7, 1950.

The United States in the United Nations

[February 4-10]

Security Council

At a Security Council meeting on February 7, its President, Dr. Carlos Blanco (Cuba), read former President McNaughton's report on the Kashmir case which stated that these activities had been confined to acting as a transmittal agent for India and Pakistan in their interchange of views and without clear evidence that his continued mediation would be likely to assist the two parties to agree on a course of action, further efforts on his part would not serve any useful purpose. He suggested that the Security Council determine what procedure should be followed to settle this dispute. In a letter accompanying the report, General McNaughton said that he thought demilitarization was a prerequisite to such settlement.

Following presentation of this report, Sir Benegal Narsing Rau (India), in explaining why India could not accept the McNaughton proposals, gave a detailed review of the Kashmir dispute. The Pakistan position was then presented by its representative, Foreign Minister Mohammad Zafrullah Khan, who defended General McNaughton's proposals. Following Indian and Pakistan rebuttals on February 10 the Council adjourned without setting a date for its next meeting.

Economic and Social Council

The tenth session of the Economic and Social Council opened at Lake Success, February 7. Its first action was to reject a formal Soviet proposal to exclude the "representative of the Kuomintang Group" from the Council. The United States delegate, Walter M. Kotschnig, stated that this threat of withdrawal was evidence that the delegations from the three Slavic states were more interested in propaganda tactics than in solving international economic and social problems. Their withdrawal, he said, would be a clear violation of their implicit obligations under the United Nations Charter. As members of the Council elected by the General Assembly in accordance with article 61 of the Charter, they were obligated to participate in its sessions. No United Nations member, he continued, could by its willful absence impair the normal functioning of the Council or the validity of its decisions. Announcing United States support for the maintenance of the "normal range and tempo" of all United Nations

activities, Mr. Kotschnig recalled that, in spite of the absence of the Soviet Union during the first year of the Trusteeship Council, that organ carried on its business.

Among the major agenda items to be considered at this session are economic development of underdeveloped countries, full employment, the world economic situation, such questions relating to labor as forced labor, trade union rights, working hours, and discrimination, including the report of the United Nations International Children's Emergency Fund.

Interim Committee

The Interim Committee met on February 6 to consider the question of the procedure for delimiting the frontiers of the former Italian colonies not already determined by international agreements and also the question of Chinese charges against the Soviet Union, which were referred to it by the General Assembly.

Chinese representative T. F. Tsiang introduced a resolution similar to that presented to the General Assembly, asking for a strong moral judgment against the Soviet Union for its activities in China. The proposed resolution would have the General Assembly determine that the Soviet Union violated the United Nations Charter and the Sino-Soviet treaty of friendship of 1945. All members states would be urged to "desist and refrain" from extending military and economic aid to the Chinese Communists, and in this connection, a United Nations observation group would be sent to China. The President of the Interim Committee announced that discussion would be resumed at the request of any member or at the Committee President's discretion.

World Health Organization

The World Health Organization's Executive Board concluded its fifth session in Geneva on February 2, after approving its 1951 program and budget for submission to the third World Health Assembly when it meets in Geneva, May 8. The board recommended that the program for the coming year should continue at the same general level, with primary efforts directed toward strengthening national health administrations, assisting them to carry on malaria, tuberculosis, and venereal diseases control work; and toward developing services in the fields of mother and child health, mental health, nutrition, sanitation, health statistics, and medical training facilities.

Publications—Continued from page 256

Procedure for Final Settlement of Claims of Italian Prisoners-of-War. Treaties and Other International Acts Series 1948. Pub. 3597. 9 pp. 5¢.

Agreement between the United States and Italy—Effected by exchange of letters, signed at Rome February 14, 1948; entered into force February 14, 1948.

Settlement of United States Obligations to Former Italian Prisoners of War and Related Claims. Treaties and Other International Acts Series 1950. Pub. 3599. 11 pp. 5¢.

Agreement between the United States and Italy supplementing agreement of February 14, 1948—Signed at Rome January 14, 1949; entered into force January 14, 1949.

Relief Supplies and Packages for United States/United Kingdom Occupied Areas in Germany: Duty-Free Entry Payment of Transportation Charges. Treaties and Other International Acts Series 1951. Pub. 3600. 6 pp. 5¢.

Agreement between the United States and the United States/United Kingdom occupied areas in Germany—Effected by exchange of letters, signed at Berlin December 7 and 16, 1948; entered into force December 16, 1948.

Education: Cooperative Program in Peru. Treaties and Other International Acts Series 1952. Pub. 3601. 4 pp. 5¢.

Agreement between the United States and Peru; extending and modifying agreement of April 4, 1944, as modified and extended—Effected by exchange of notes, signed at Lima June 28 and 30, 1948; entered into force July 6, 1948, operative retroactively July 1, 1948.

Naval Charter for Lease of Vessels to the Philippines Under Public Law 454—79th Congress. Treaties and Other International Acts Series 1954. Pub. 3609. 12 pp. 5¢.

Agreement between the United States and the Republic of the Philippines, modifying agreement of March 21, 1947—Effected by exchanges of notes, signed at Manila September 28 and December 9, 1947, and May 6 and June 7, 1948; entered into force June 7, 1948.

Air Transport Services. Treaties and Other International Acts Series 1935. Pub. 3611. 15 pp. 10¢.

Agreement and accompanying exchange of notes between the United States and the Dominican Republic—Signed at Ciudad Trujillo July 19, 1949; entered into force July 19, 1949.

Health and Sanitation: Cooperative Program in Colombia. Treaties and Other International Acts Series 1958. Pub. 3617. 4 pp. 5¢.

Agreement between the United States and Colombia, modifying and extending agreement of February 14 and 19, 1946—Effected by exchange of notes, signed at Bogotá July 8 and 29, 1948; entered into force July 31, 1948, operative retroactively from June 30, 1948.

Germany: Economic Fusion of American and British Zones of Occupation. Treaties and Other International Acts Series 1959. Pub. 3626. 4 pp. 5¢.

Agreement between the United States and the United Kingdom of Great Britain and Northern Ireland, amending and extending agreement of December 2, 1946, as amended and extended—Effected by exchange of notes, signed at Washington March 31, 1949; entered into force March 31, 1949.

Training Exercises: Marine Units of the United States Fleet in the Mediterranean. Treaties and Other International Acts Series 1972. Pub. 3660. 2 pp. 5¢.

Agreement between the United States and Greece—Effected by exchange of notes, signed at Athens February 11 and 21, 1949; entered into force February 21, 1949.

Analysis of Protocol of Accession and Schedules to the General Agreement on Tariffs and Trade. Pub. 3651. 1949 244 pp. 50¢.

Preparing for a Career in the Foreign Service of the United States. Department and Foreign Service Series 9. Pub. 3668. 88 pp. 25¢.

Qualifications required of candidates at the entering grade together with sample written examinations.

General Agreement on Tariffs and Trade: The Annex Protocol of Terms of Accession and The Annex Schedules of Tariff Concessions. Pub. 3664. 1949 588 pp. Limited Distribution.

Freedom of the Press—An International Issue. International Organization and Conference Series III, 43. Pub. 3687. 24 pp. [BULLETIN Reprint]

Article by Samuel DePalma concerning the U.N. debate on the Convention on the International Transmission of the News and the Right of Correction.

Viewing 48 Years in the Department of State. Department and Foreign Service Series 10. Pub. 3688. 4 pp. [BULLETIN Reprint]

An interview with Bertha S. Rodrick who has been in government service for past 48 years, by Philip W. Carroll.

U.S. National Commission UNESCO News, December 1949. Pub. 3693. 12 pp. 10¢ a copy; \$1 a year domestic, \$1.35 a year foreign.

The monthly publication of the United States National Commission for UNESCO.

UNESCO Today. International Organization and Conference Series IV, United Nations Educational, Scientific and Cultural Organization 9. Pub. 3694. 17 pp. 10¢.

An informal report on UNESCO and the U. S. National Commission for UNESCO: UNESCO and its goals; UNESCO in the United States.

The United States Balance of Payments Problem. Commercial Policy Series 123. Pub. 3695. 14 pp. 10¢.

Discussion of exports and imports, including charts.

Our German Problem Today. European and British Commonwealth Series 3. Pub. 3698. 5 pp. Free. [BULLETIN Reprint].

Address by Henry A. Byroade, made before the Southern Newspaper Publishers' Association at Mineral Wells, Texas on October 31, 1949.

Diplomatic List, December 1949. Pub. 3701. 156 pp. 30¢ a copy; \$3.25 a year domestic, \$4.50 a year foreign.

Monthly list of foreign diplomatic representatives in Washington, with their addresses.

U.S.—U.K. "Essentials of Peace"—A Challenge to Soviet Sincerity. International Organization and Conference Series III, 44. Pub. 3705. 8 pp. Free. [BULLETIN Reprint].

Statement by Ambassador Warren R. Austin, made before Committee I (United Nations) on November 14, 1949.

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